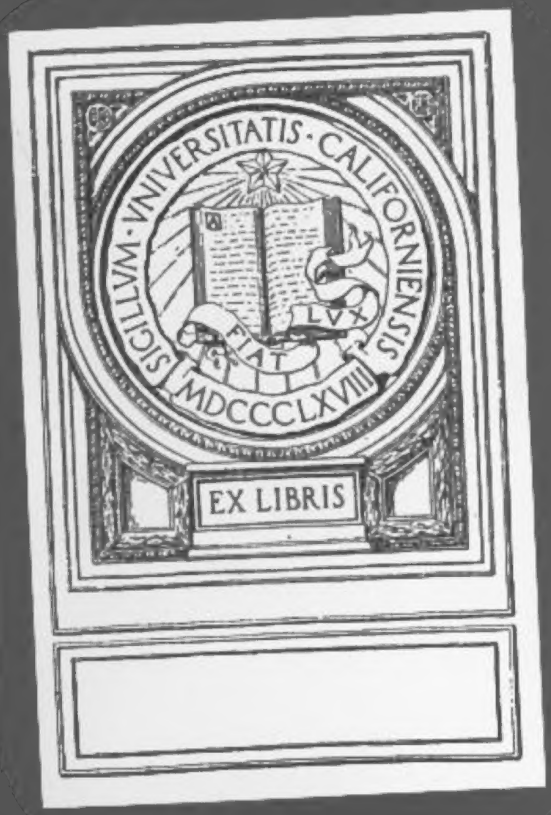
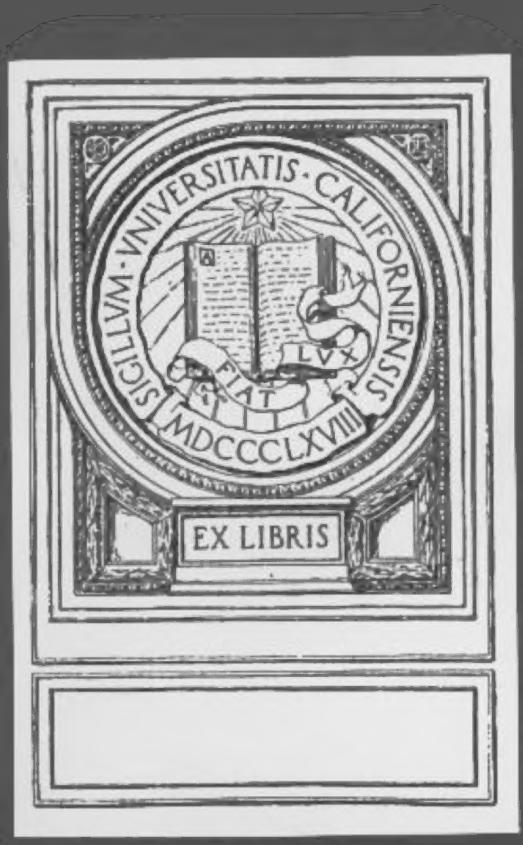
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BUSINESS

Vol. 1, No. 1 October, 1919

Lucien Kellogg, Editor D. B. Kirk, Business Manager

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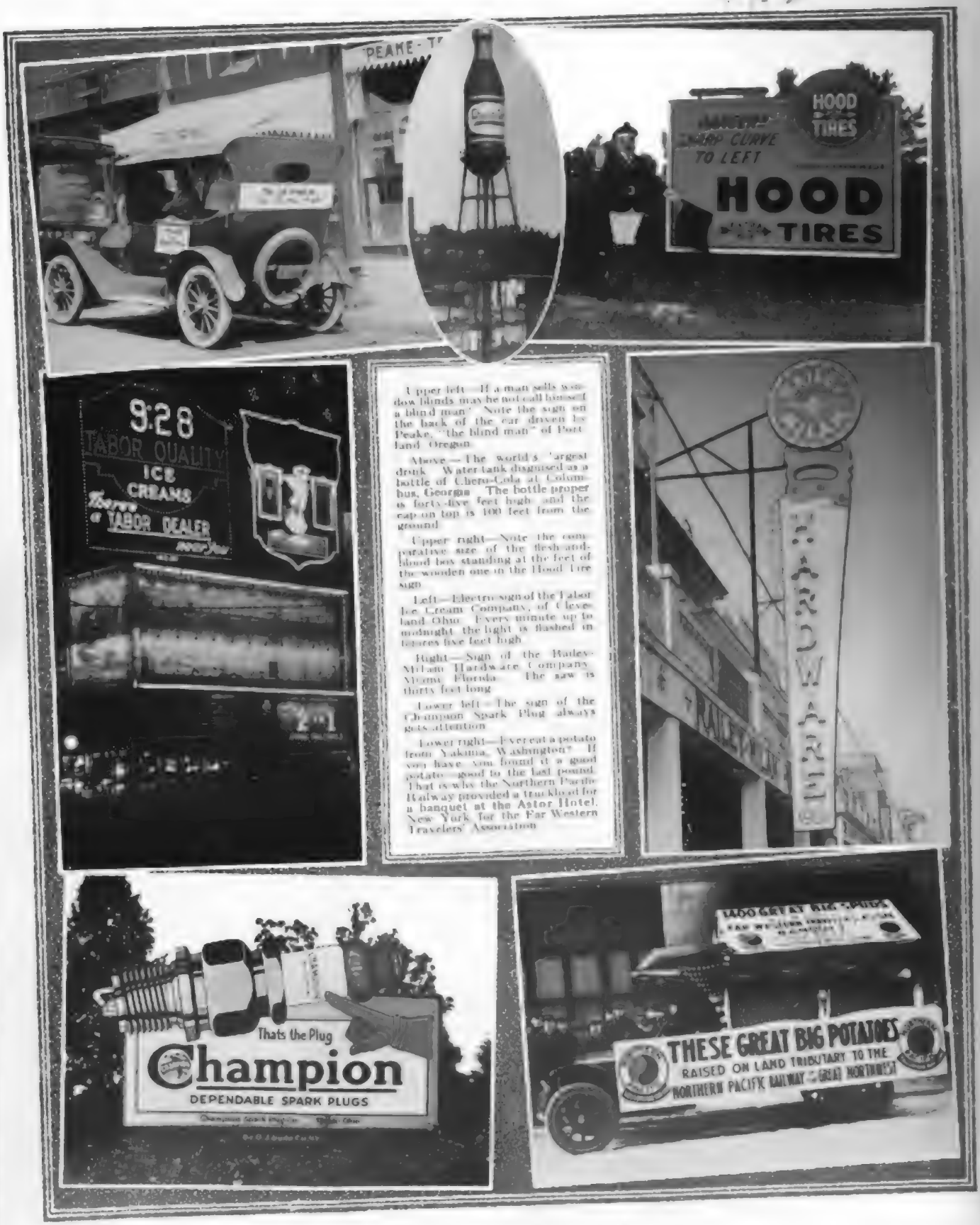
Quick Sales for Sure Profits - - - 25
By James W. Fisk

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Published monthly in Detroit, Michigan

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Upper left—If a man sells window blinds may he not call himself a blind man? Note the sign on the back of the car driven by Peake, "the blind man" of Portland Oregon.

Above—The world's largest drunk. Water tank disguised as a bottle of Chero-Cola at Columbus, Georgia. The bottle proper is forty-five feet high and the cap on top is 100 feet from the ground.

Upper right—Note the comparative size of the flesh and blood boy standing at the feet of the wooden one in the Hood Tire sign.

Left—Electric sign of the Tabor Ice Cream Company, of Cleveland Ohio. Every minute up to midnight the light is flashed in figures five feet high.

Right—Sign of the Bailey-Miami Hardware Company, Miami, Florida. The saw is thirty feet long.

Lower left—The sign of the Champion Spark Plug always gets attention.

Lower right—Ever eat a potato from Yakima, Washington? If you have, you found it a good potato—good to the last pound. That is why the Northern Pacific Railway provided a truckload for a banquet at the Astor Hotel, New York, for the Far Western Travelers' Association.

If Seeing Is Believing—

Tax on Mud or Profit on Roads?

By E. M. CLAYPOOL



TOURISTS traveling by automobile through Minnesota during the first days of the autumn of 1918 might have observed counters, or census-takers, stationed along the Jefferson Highway. The highway, which is one of the transcontinental routes through the state, had been constructed only two years before, and the highway commission was amazed in the summer of 1918 to find that a certain stretch of gravel road had been thrown into drifts, one on each side of the road. Determined to learn what sort of travel caused this condition, the commission set the census-takers to work.

Day and night, from September 1 to September 9, these men kept count of all passing vehicles. They found that an average of 1,144 automobiles passed over that road every twenty-four hours. More surprising still was the fact that most of these were foreign cars; that is, they were registered in other states.

"Why does any state want to bring tourists in to wear out the roads?" is a question that naturally would occur to many people. The investigation of which the census was a part showed that Mr. Tourist spent $1.25 an hour to travel through Minnesota; that he left his dollars along the route he traversed; that he dropped three times as much money every year as it would take to build an entirely new gravel road every two years.

This discovery quickly bore fruit. At the last session of the legislature a bill was passed calling for an election in November, 1920, to amend the constitution so that $100,000,000 worth of bonds may be issued to construct a system of 7,000 miles of 365-day roads. Other states have taken similar action, following the lead of Illinois, where $6,000,000 was voted last November for a state-wide system of permanent roads. Minnesota, however, bounded a long hop ahead by the act of the same legislature when it established a publicity fund of $100,000 to be used to herald the fact that Minnesota has 365-day roads and to invite the people of the United States to come in and help wear them out.

Perhaps no other state has gone so extensively into the business of building and selling roads. Minnesota is convinced that if permanent roads are a good investment now, they will later prove a bonanza. A scrap of paper and a lead pencil will discover that 1,144 cars, traveling eight hours a day, will leave $11,440 a day in their wake, parting with $80,080 every seven days, or a total of $1,601,600 in the twenty weeks that constitute the vacation season.

These silver cart wheels roll in from outside. It is not the old dollar passing from hand to hand in one community. In the years to come Minnesota will receive a rebate amounting to many times the total of her expenditures for hard roads.

But road building is no longer a monopoly of states. In every section of the nation are communities whose farsighted merchants are awake to the fact that they, as well as the farmer, have been paying an enormous annual mud tax. Because it is invisible, a mud tax does not seem to exist. Facts, figures and experience all prove, however, that mud roads are a costly expense, while 365-day roads are a sound investment.

The term "365-day road" originated in Carthage, Missouri. J. D. Clarkson, a retired retailer, who is now general manager of the great Jefferson Highway Association, coined the phrase, applying it to a club which was organized in 1910, to see that roads were built in Jasper county, in the trade territory that Carthage should have had, but did not have.

At that time Carthage was suffering from a condition that exists even today in many other communities. The town was dead. People were moving away. Affairs came to a head when the federal census-taker reported fewer than 10,000 inhabitants, although the number had been placed by common consent at not less than 12,000.

The charge of incompetency was lodged and the government complied with the demand for a recount. This time the wedge of honest truth went

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Above—One of the roads that increased the trade territory of Carthage, Missouri. Upper right—A safe 365-day road leading out of St. Joseph, Missouri. Lower right—A good rain will put this fellow out of business.

in a bit farther, for the second count reported thirty-two persons fewer than the first. Outraged property owners, business men, taxpayers and other interested parties did not sleep until they had under contract a fellow whom they knew to be competent and whom they could trust to follow instructions to make the records, at all hazards, show a population of more than 10,000. Imagine the chagrin of the interested parties when the third man finished counting noses and reported twenty-three fewer than his predecessor!

By this time a few of the leaders had begun to realize the seriousness of the situation. They made a survey. It showed that regular three-customer trade over bad roads in 1910, was limited to three, four, six and seven miles in the four directions. That is, seven miles was the longest distance that the merchants of Carthage could expect a farmer to travel with two or more members of his family on a shopping trip. Single-customer trade extended but little farther, the limits being eight, ten and eleven miles.

A story with all the frills that accompany a progressive and aggressive fight against ancient road building and maintenance methods is contained in the written and unwritten annals of the first 365-Day Road Club in America. Others have profited by the experience in coping with political leeches, high-handed corporations, and the usual quota of construction problems. Suffice it to say that Carthage merchants got together to build roads, and when the farmers saw what was happening—how the jealous, quarreling factions in town were united to do something actually worth while—they joined hands with the townspeople. Together they built a system of roads: real 365-day roads.

Carthage trade territory in 1915, five years later, when another survey was made, had greatly increased. The three-customer trade line had moved out until it was now eight, ten, eleven and twelve miles distant, while single-customer trade reached a line from eight to twenty miles away. To cap the climax, five established and regular automobile lines were operating daily in as many directions, the two longest reaching twenty-two and thirty miles and opening a trade territory unthought-of back in the days before the birth of the 365-Day Road Club.

A count of vacant houses in 1912 showed 212. In 1915 there were but 120. This indicated that in 1915 there were ninety-two families who did not live in Carthage three years before. It was estimated in round numbers that there were 2,500 homes, and that there had been an increase of 500 in the population in three years. The spirit that built the roads still survives and today there are shoe factories and numerous other industrial, commercial and civic enterprises that are the result of the conversion of the little city [illegible] a quiet, conservative, population trade center into a progressive, [illegible]ing city where property is worth more instead of less than it was when present owner purchased it.

Just across the state line in Kansas is Fort Scott, another scintillating star on the horizon. Before the war Bourbon county had seventy-one miles of rock roads. Provision has been made for an additional 110 miles.

"Before the advent of good roads and the automobile, a city's local trade was limited to some ten or fifteen miles," asserts Harry A. Russell, secretary of the Fort Scott Chamber of Commerce, "and at the fifteen-mile distance the trip could be made only during certain portions of the year. Now, with the good roads and the automobile, the limit of the city's direct trade has increased to a radius of some fifty miles and this trade is available every day of the year.

"The building of hard-surface roads, by increasing agricultural production and cutting down the cost of transportation, greatly increases the purchasing power of the trade territory.

"With the building of 365-day roads, it is possible for customers to come to stores and trade; whereas, if the roads were impassable, these persons would use the mail-order method of purchasing—most of these purchases, of course, going to large cities.

"Permanent highways also largely improve the trade because in bad and rainy weather, when it is not possible to work in the fields, it is possible to come to town and trade, saving a great amount of valuable time. They also give the purchaser time for selection.

"I think that in almost any ordinary community a system of permanent highways built in all directions for fifty miles will result in the doubling

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of the business of the city's merchants."

In April, 1918, what many people consider the finest milk factory in the United States was opened at Fort Scott. The point which swung the decision to locate there was rock roads. It was easy to get farmers to agree to milk 400 head of registered stock. In fact they boosted the ante to 600. On the first day the plant was opened, 6,000 pounds of milk came in. On the same date a year later 60,000 pounds were handled. Truck lines operate in and out of the city every day of the year, rain or shine. Farm land values have increased so fast that farmers are reluctant to place a price on their land, fearful lest they make a serious mistake.

Where does the community come in? Why, bless you, the milk factory pays to the farmers of Bourbon county—farmers who send their milk over the rock roads, and their children to school over the same roads, and themselves to the show at night and to church on Sunday—pays them $1,600 a day for the raw product. Every year, at this rate, $600,000 is turned loose in Fort Scott, and there are certainly a sleepy lot of merchants there if any large part of the money finds its way to the mail-order house.

To Fort Scott the hard roads are now worth $600,000 a year—and the system is scarcely started. The capacity of the plant is 200,000 pounds a day. At present prices, when the capacity is reached, in each twelve months $5,000,000 would be handed to the community of Bourbon county for its milk. The roads were directly the "clincher" that landed the factory when other localities met the qualifications in every other respect. The factory, by the way, is a considerable employer of labor.

Why did Jefferson Parish, Louisiana, vote unanimously—not casting a single "No" vote—for $150,000 in bonds for hard roads? Why did the retailers of Stanberry, Missouri, close their places of business on election day to help roll up a majority of twenty-five to one for bonds for hard roads? Why have Mason City and Cerro Gordo county, Iowa, voted to spend hundreds of thousands of dollars for better roads? Was it by mistake that St. Joseph, Missouri, voted five to one for $2,000,000 for a system of roads, and then went out soon afterwards to raise a voluntary fund of $25,000 to help build a section of highway in Kansas, just across the river and adjacent?

Why has Greater Kansas City combined her forces in a single organization, employed a high-salaried specialist and set out to have constructed a system of 5,000 miles of permanent roads in a circle with a hundred mile radius? Why did Governor R. G. Pleasant of Louisiana and Mayor Martin Behrman of New Orleans take thirty days of valuable time during July to travel over the Jefferson Highway from New Orleans to Winnipeg, Canada, telling thousands of listeners in hundreds of communities the need for good roads, and the value of being on an international marked highway 2,400 miles long? Why did a group of farmers in Platte county, Missouri, reach into their pockets for $17,000 to grade their road? What caused three men to buy and pay for a steel bridge in Davies county, Missouri?

Because 365-day roads return the greatest dividend of any modern legitimate investment. Land values jump by leaps and bounds. Good roads and prosperity run hand in hand. The farmer can get to market when the prices are right. He is the greatest little spender in the United States. He rides with his family in a real car and goes when and where he pleases over the roads that are good. He spends his money where he goes. The mail-order catalog has been tossed into the cupboard and is covered with dust in most localities where there are 365-day roads. A few years ago the farmer bought whatever the retailer or the mail-order house had to offer, and was glad to get it whenever he could. Today he buys the very best. He knows what he wants and goes where he can get it when he wants it. Farmer and retailer—indeed, all in the circle of modern business—are benefited by the change.



Miles used to be the unit of measure. Now it is time and the condition of the roads. A farmer living forty miles from a western city of 100,000 population told me this story recently. A part on his binder broke. He telephoned to the service station in the city, asking that the repair be ready when he drove in that evening, after finishing work. Leaving home in a high-powered touring car at 6 o'clock that evening, he and his wife ran into the city over dirt roads, obtained the part, ate supper at a downtown restaurant and were back home at 9:05 o'clock.

"When the roads are good, I make the trip three times a week," he said. "We used to drive fourteen miles to market our butter and eggs, but now we take most of our stuff to the city."

But, alas, it is not a 365-day road, and when the weather is bad and the roads are muddy he cannot plow through the forty miles of bottomless silt from his farm to the city, even when he has plenty of time.

There is another factor which has grown more prominent in the past few months. It is the truck transport. When motor trucks move the produce of the farm, the farmer will get more, the retailer will make a bigger profit, and the consumer will pay less. Experiments prove this assertion to be the absolute truth. There are many organized highway transport companies operating in widely-scattered sections of the United States. The experience at Mason City will serve as an apt illustration.

In October, 1917, at St. Ansger, Iowa, potatoes were sold by the farmers for 80 cents a bushel. They were retailing in Mason City, only thirty-five miles distant, at $1.50 a bushel, a difference of 70 cents a bushel. There was 95 per cent loss in transportation. Cabbage sold at St. Ansger for $1 per hundred pounds, but was retailing at Mason City at $8 per hundred. That was 700 per cent above producers' price.

The first thought is that the retailer and middleman are making the huge profits. That may be the case in some few instances, but this time the expense must be laid at the door of "handling and transportation." It cost the farmers 8 cents per bushel to haul to town. The present freight rates on fourth-class shipments from St. Ansger to Mason City includes 15 cents to

(Continued on Page 40)

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Ten Commandments of Finance

By CHARLES W. GERSTENBERG
Director Department of Finance, New York University

HAVE YOU ever heard of the "Dead Line?" It's a line drawn across the southern part of the tongue of land known as Manhattan Island in little old New York. Below that line, so the legend goes, is the heart of the country, into which and from which flows the life-making blood of finance!

Below that line is Wall Street. Below that line no crook is supposed to show his face. Below that line no crook did show his face while the police force was in the hands of intelligent men.



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"Below that line, so the legend goes, is the heart of the country, into which and from which flows the life-making blood of finance!"

But that's another story. What we want to bring out here is that the holy of holies of finance is set off by a "dead line," and that this "dead line" stands for mystery, wonder and—much "bunk." The popular mind always stands appalled at the workings of finance, though the problems of finance are in fact no more difficult than the problems in the fourth grade arithmetic, and if truth must be known, the "captains" who preside over these workings, with few exceptions, are no more gifted with occult powers than the schoolma'am who presides over the fourth grade arithmetic.

Get this straight: finance is simpler than selling or producing, but it visits the sins of business transgressors with more relentless severity. Woe unto the ignorant and the careless who break its rules and commandments.

What are these rules and commandments? Finance has had no Moses; although much has been written on the subject, few books contain statements of the elementary principles. Perhaps that has been due to the simplicity and self-evidence of these principles. But their simplicity is no guarantee against their violation, and the repetition of them can do no harm. So here goes for a financial Decalogue, not done in the style of Moses nor in the beautiful strength of the King James version, but, we trust, with a directness that will not need the fear of hell-fire to back it up.

1. *Don't engage in a new business until you have made a careful, unprejudiced estimate of its capital requirements and of its chances of making money.*

The outposts of civilization are strewn with rusted machinery, rotten buildings and other weed-covered monuments to the memory of men who have ignored this commandment.

2. *Don't try to raise money until you have demonstrated your ability to use it.*

To him that hath shall be given. Why? Because in getting what he hath he showed his right to be intrusted with more, and because what he hath will be lost along with what is given him, if he doth not "toe the mark."

3. *Take all available means for acquiring all the capital you and your business can profitably use.*

In other words, borrow if it pays to borrow. If you can make 15 per cent on your neighbor's capital upon which you pay him only 6 per cent, go to it. Be frugal with your personal affairs, but be liberal with your business.

4. *Don't engage in unprofitable side lines.*

The more successful you become, the more people will crowd to your doors with brilliant ideas for making money quickly. Don't speculate, not because it's immoral, (we leave that to some other Decalogue), but because it uses up too "dog-gone" much time and energy.

5. *Don't count your profits until you've repaired your capital.*

Remember that machinery wears out; that processes become obsolete; that fixtures become old-fashioned; that your competitor is awake to time-saving and money-saving appliances. To keep up your capital assets to 100 per cent operating efficiency by making proper repairs and economical replacements is the prime sign of progress and vigor.

6. *Keep your property on the firing line.*

A couple of million of fighting men in America are of little help in winning a European battle, but when we got those millions of men into Europe the Germans quit. Neither can you win any business battles with a stock of goods that are not properly displayed or an office appliance that is not used. You pay interest on your money every minute of the day, and every day of the year. Make its equivalent work for you just as incessantly.

7. *Keep enough cash on hand to meet emergencies and to seize opportunities.*

The most pitiable man on earth is the rich poor man—the fellow who has wealth, but can't make its wheels go round.

8. *Don't be penny wise and pound foolish.*

Engineers probably would express the thought of this commandment thus: practice economic selection. See that you get the most for your money. An employee at $35 a week may be cheaper than one at $20 a week. A poor fixture or appliance is dear at any price.

9. *Watch your investment eternally.*

Money hasn't any brains but it makes a good partner to brains.

10. *Know when to quit.*

Don't wait until all is lost, even honor. Quit as soon as you see that the tide's going out, and hurry over to some other swimming hole where the water is more congenial.

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"Your Share of This Business"

By CHARLES E. DUFFIE
Advertising Manager, M. E. Smith Co., Inc., Omaha.

West of the Mississippi River no discussion of modern marketing and merchandising methods is considered complete until some one has praised the service furnished to retail dry goods merchants by M. E. Smith & Co., Inc., of Omaha, wholesale dealers in dry goods and manufacturers of garments.

"Of what does this service consist? How is it rendered? How do you get merchants to use your dealer helps?" These were the questions which we propounded to the advertising manager, as the man who should be most easily persuaded to unbushel the family light.

In answering these questions, Mr. Duffie describes an interesting chain of service. He tells how his firm analyzes the market for the retailer; how it helps him turn a potential demand into an actual one, and finally, how it helps him make this newly-created demand produce profits.—Editor.

ALL RETAILERS know, of course, that the spending capacity of any community is absolutely fixed. The people have just so much money to spend; beyond that amount they cannot go. It follows that there must be a fixed maximum expenditure for any locality. If that expenditure—or better yet, the average expenditure—could be ascertained, it would be easy to estimate the volume of business of any community. The advantage to the retailer of possessing this knowledge will be instantly appreciated.

Service is the wholesaler's chief function; and how better can he serve the retailer than to teach him the consumption of goods in his territory, show him how much business it is possible for him to get, and then help him get it? This practice, at any rate, represents no small part of the service which M. E. Smith & Co., Inc., is rendering to thousands of retail dry goods merchants—merchants in practically every state west of the Mississippi, and even in Alaska and Hawaii.

Many manufacturers and wholesalers assert that "sales helps" are not appreciated by the average retailer; that booklets, signs, etc., are allowed to lie around unused, or actually thrown away. Our own experience has been distinctly different, and we have been told that it is because we not only prepare "helps" that really help, but show the dealer precisely how they will help—how he can use them to increase his own sales and profits.

It may be interesting to know that although many of these helps are furnished free, there is a large percentage of them for which we charge real money and for which the retailer pays gladly. We sell them, not to make money, but merely to insure their use, for we all know that we are more prone to forget something given to us than something for which we have paid hard cash.

It was in 1915 that we first put on a real sales plan behind one of our manufactured lines, and prepared to push it by co-operating intensively with the retailer. This line was the Mina Taylor dress, and the success of the plan may be imagined when it is stated that in five years the sales of this line have grown from nothing to $1,000,000 a year.

One of the first things we did was to gather consumption statistics on various commodities. This was no easy task, but with the co-operation of various publications and institutions that have analyzed markets we have been able to learn the average consumption of many of the lines handled by retailers.

For instance, before the great rise in prices due to the war, the average amount spent by each woman more than 16 years old for house dresses and aprons was $7.50 a year. Of course, this was the average figure for the whole country, but it furnished a good basis on which to estimate.

From the census reports it is possible to ascertain the percentage of women in any particular state, county or even township. This information, of course, must be laboriously "dug out," but it is worth all the labor.

Investigation has also shown that the average buying population of any trading center is the actual population plus 40 per cent for farmers and others who come to town to trade. It should be noted that this is not specifically true of any given town or city; it varies with the location, but as an average for the country over the 40 per cent estimate is very close to being right.

Combining these two facts—the population of any trading center and the average amount spent by each woman for house dresses and aprons—we are able to make some very interesting calculations, or rather, statistics.



Window display for Mina Taylor Sales Plan Book, Spring of 1919

A view of the piece goods department, F. Johnson & Co., Holdrege, Nebraska

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Let us work out an actual example for a Nebraska town of 2,000 population.

Population of the town	2000
Add 40 per cent for outside trade	800
Total of possible customers	2800
Percentage of women of more than 16 years of age, as shown by census reports, in state	30.23
Number of such women in community	846
Value of house dresses and aprons purchased by them annually at $7.50 per capita	$6345

Few people who have not investigated will realize that there is this great volume of business on house dresses and aprons possible in a town of this size. As a matter of fact, there may be more; again, there may be less. The figures, as stated before, are only an average, and this fact cannot be too strongly emphasized. In some towns the number of people who come in from the outside to trade is much more than 40 per cent; indeed, the percentage often runs as high as 100, and in other towns it is much less than 40.

But if this is an average town, there is $6,345 worth of house dresses and aprons being sold to the women of that community.

It is now a simple matter for the salesman to go into the store and say to the merchant something like this:

"In your trade territory there are approximately 846 women of the age of 16 years or more. Investigation shows us that the average woman spends a minimum of $7.50 a year for house dresses and aprons. On this basis the women in your territory spend $6,345 for these garments. Your share of this business, considering the number and size of your competitors, should be not less than one-third, or $2,115. If you are not doing that much business in house dresses and aprons you are not realizing your possibilities."

Very likely the leading store in that town is selling not to exceed $1,000 worth of these garments, and the two or three other stores in town, very much less. So there is a large volume of business going somewhere that might be done by the merchants of that town. Is it going to the mail order houses, or to stores in the nearest larger town? It is going somewhere, for these women must buy these goods from some store—why not at home?



Typical advertisement supplied by M. E. Smith & Co., Inc., and used by one of their dealers

By this time the salesman has interested the merchant and shows him by actual figures how he arrived at his estimates. He also shows how the merchant can put on, at small expense, a campaign on Mina Taylor dresses that will inevitably produce great results. Naturally it is not difficult to get an order after the salesman has been able to demonstrate that he is in a position to render such service, backed up by goods that will earn the good will of the women who come to the store in response to the advertising.

When the order is placed the merchant is furnished material for his selling campaign. The dealer in the large town gets a series of advertisements in matrix form. The dealer in the small town gets a set of proofs; all he has to do is write in his firm name at the bottom and turn the proofs and the cuts over to his newspaper. These cuts, too, are furnished by us.

We also furnish a set of pictures of effective window displays of Mina Taylor garments, with instructions telling how to prepare them and in what sequence they should be used.

Another help is a set of pictures, with directions, showing how the stock may be arranged and displayed to best advantage.

A fourth help is a set of large store cards, beautifully lithographed, to link up with the newspaper advertising.

A fifth is a set of colored folders appropriate to the season in which the campaign is conducted. We furnish them in such quantities as are desired, imprinting the dealer's name, addressing them from the dealer's own mailing list and stamping them; all the dealer has to do is drop them into his mail.

Still another help is a set of advertising slides which the dealer can arrange with one of the local moving picture theaters to have shown on the screen at regular performances.

To summarize the selling helps, I quote a paragraph from the preface of a bound book which fully explains all details of the Mina Taylor selling plan and a copy of which is sent to the dealer who stocks up on this line:

"Your advertisements have been written for you. Suitable cuts are furnished you. Window displays have been created—displays which will sell goods. Signs for the store, to link up with the advertising, have been prepared. Three moving picture slides are ready. The merits of the goods are explained so you can put the strongest possible selling argument into the mouths of your sales people."

Such an analysis of the market as I have outlined, backed by an advertising and sales plan that will actually help him sell goods, is really welcomed by the retailer. The proof of it is that year after year the same merchants use these helps from us on house dresses and aprons—and ask for similar ones on other lines. Indeed, these plans are so successful that recently we actually lost a nice order from a merchant who had used two of our plans, and declined to buy a third line from us because we had no plan back of it at present, while a competitor had such a plan behind his own line!

So fast has the Mina Taylor business grown that we have been unable to meet the demand even after quadrupling our factory facilities, and in April of this year we purchased outright the million-dollar plant and business of the American Garment Company of Indianapolis in order to obtain the necessary increase in production.

As soon as a merchant's sales instinct has been aroused on house dresses and aprons, he is naturally

(Continued on page 29)

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The Store On Wheels

By E. E. MOSELEY

IN THE MONTH of October, 1915, there was a great shaking of heads in Pine Bluff, Arkansas. In that month I started operating my traveling grocery car—a store on wheels—and not a few people predicted that the venture would quickly end in failure.

For a long time I had been trying to figure out a way to sell groceries at less than the average grocer's cost of doing business; a way to deliver goods to the consumer at a saving and still make a legitimate profit. In all my calculations the chief stumbling block was the problem of rent. Rent was something I could not eliminate or even greatly reduce.



Two views of the store on wheels. Note the miniature chicken coop under the rear of the car. Note also the way the interior is provided with shelves and compartments

At last I concluded that the way to beat the rent problem was to take my wares direct to the door of the housewife. I reasoned that if a huckster's wagon, or a meat wagon, or any other wagon that distributes either staple or specialty foodstuffs could succeed, at least an equal measure of success should reward the business that distributed all of these foodstuffs at once.

So I put my plan into operation and began selling from a two-ton motor truck, equipped with compartments and shelves. My goods consisted of groceries, cured meats, fruits and vegetables; no feed except chicken feed.

The plan has succeeded even better than I expected. People quickly got the habit of looking for Moseley's Cash Grocery Car. The housewife found that the daily tedium of placing a variety of palatable foods on the table is minimized when the grocery store itself calls at her door, for she can select for herself from a wide variety of foodstuffs attractively displayed.

She receives the goods in better condition than she would be likely to get them otherwise; she sees the goods, knows exactly what she is getting, and is satisfied. She also saves time, for she doesn't have to call up the grocer by phone and ask what he's got. In short, she is able to supply her pantry more satisfactorily and pay in less time than she ever did before.

When I began selling this way I had some cards printed with the words, "Cash Grocery Car." These were distributed about town to possible customers and those people who wanted the car to stop would signal us by placing the card on the door or in the window. So fast has the business grown, however, that the car now travels daily over a route. We have regular and permanent customers, and stop every day to supply their demands.

From the proprietor's viewpoint the chief advantages are fast turnover and the savings in rent, direct selling expense, advertising, and losses from bad debts. At first I operated from a warehouse, but persistent calls from people on unpaved streets off the route obliged me to put on a light car to deliver telephone orders. Later I built a store on a side street to take care of local business, and now I use this store as a sales station and operating base combined. Stock sold from the car is replaced every noon and night.

Selling expenses are reduced because the customer does all her buying for the day at one time, instead of running into the store several times a day. Moreover, the car brings to her door many things she wouldn't walk around the corner to buy—things that never would suggest themselves under the usual plans of merchandising.

Sales from the grocery car and sales station together amounted last year to $40,000. Of this amount 60 per cent was sold by the grocery car, and proof that the system is cheaper is found in the fact that the expense of selling this

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60 per cent was less than that of selling the remaining 40 per cent produced by the sales station. This $40,000 business, by the way, was done on a stock that averaged only $1,200, so we turn our stock approximately every ten days.

At first I sold only for cash, but I soon found that there were many people we could safely sell on weekly terms. These people naturally give us practically all of their trade. Coming in personal contact with them as we do every day, we can keep our collections active and lose almost nothing by bad debts.

Then, too, we save in advertising, for the grocery store on wheels is its own best advertisement. People see it every day; they talk about it among themselves, and proudly point it out to strangers. "Look what we have here," they say. "Can you beat this in New Orleans? Or in Chicago? Or even in your little old New York?" In fact, we attribute most of our business at the sales station, situated on a side street, to the advertising we get from the grocery car.

Yes, the system has made good, and some of the head-shakers of October, 1915, are now my most enthusiastic patrons and boosters. The grocery car is in Pine Bluff to stay, and if I may judge from the letters I get from grocers in other places, asking for information about my equipment and methods of doing business, grocery cars will soon become a popular means of supplying the housewife.

What looked like the harebrained adventure of a dreamer has been found both practicable and economical. I have proved that I can market food products by this way with less worry and more satisfaction than by any other.

Here She Is—the "Draughtsgirl"





FINDING itself unable to obtain enough workers, particularly for its drafting room, a Pittsburgh company that makes technical equipment started a class and began to train girls to do tracing and mechanical drawing.

Under the instruction of an expert draughtsman fifty girls have undertaken the study of this work, and every one has succeeded at it. When the girls were selected, those were preferred who had been doing work that called for the use of their hands. A girl, for instance, who had learned to play the piano was considered as having a big initial advantage.

Details of drawings were taught for from four to six weeks; then the girls were put to doing actual work. Twice a week, however, they were taken back to the classroom for two-hour periods of further instruction. As soon as they showed themselves capable of detail drawing, they were permanently assigned to this task.

This classroom was visited by the president of a large engineering and construction company, who carefully examined the work done and the methods used. Before leaving, he said that he always had maintained that girls should not be employed on this class of work, but that after seeing the results this Pittsburgh company was getting he had decided to start a similar class.

The company also conducts a training section for new stenographers. Here the girls learn the company's standard practice in the use of stationery, forms and filing systems, and here they learn the multitude of technical terms and expressions peculiar to highly technical business. Here, too, they learn how to use the dictating machine.

This centralized training of stenographers, the company finds, tends to uniformity in the handling of stenographic work throughout the organization and at the same time relieves the various departments of the tedium of "breaking in" every new stenographer.

The system, in short, is cutting down the cost of hiring and firing and producing more work at less cost.

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The Hand-Picked Mailing List

By PAUL W. KEARNEY
Associate Editor, Advertising and Selling

A *MAILING LIST* is a list of names. There's no argument there. But when a merchant succeeds in getting a list of classified names, carefully and intelligently analyzed, he has something else—a Mailing List. Note the capital letters!

Five hundred or five thousand people represent such a wide difference of environment, habit, wealth, tastes and intelligence that the same treatment in an indiscriminate fashion of all names in any given miscellaneous collection will result in definite loss. A merchant ought to make reasonable distinction between the classes of people his mail reaches, and as far as our experience goes in retail circles, there seems to be much room for improvement along this line.

Those concerns in our larger cities dealing in the business of preparing lists have worked on the idea to a nicety. You pick up your telephone, get a connection—God willing—and order "5,000 names of owners of motor boats from Maine to Delaware, inclusive." Or perhaps you prefer "100,000 girls studying stenography east of the Mississippi River." It makes no difference what you want; usually you can get it. That sort of service is being used daily, and its value lies in the fact that such a sharp classification of prospects segregates that particular number from the masses and allows a direct, personal appeal.

You also are able to draw many important conclusions from the very nature of the occupation or hobby or interest of the man or woman whose name comes to you in an analyzed list like that.

The opportunities for the retail merchants enjoying that same kind of selection is afforded in a way much less expensive, but equally effective. The business man in a small, average or large community has a number of simple means of classifying his mailing list in just this way. Here are a few more or less obvious suggestions:

In these concrete cases that follow, the real important information comes primarily from the source of the list itself, plus a little deduction. Take for example, the office of that county or state official who records the names of automobile owners in your city. By writing to the proper office you can obtain a list of registered plates. The fact that the people whose names you receive own motor cars would indicate that they are more desirable, from a financial viewpoint, than those who do not.

So much for a general deduction. But suppose your line of business is hardware, or electrical goods, or insurance, or groceries. Can't you write a stronger letter, with much more personal appeal, to the automobilist than to the other fellow? Hardware or electrical appliances for the car or garage; provisions for a week-end trip or vacation tour; protection against fire or theft—all based on your prospect's ownership of an automobile.

There are other kinds of information, too, that may be obtained from public officials. The tax assessor can furnish information about the citizens of your community who pay taxes; the election officials have the voting lists on file, and they are always open for inspection. Chalked up against the voters is a wealth of information that may help you with your direct mail work.

The county clerk may also be your friend; he can supply the names of couples who have applied for marriage licenses, and you can learn from him each month the names of families visited by the "stork." The jeweler, the banker, the food dealer, the laundry, the drug store, the dry goods merchant—everybody is interested in a wedding or a birth. These things mean business. The wise, progressive merchants today keep track of such important events.

One useful and convenient method is to file the names of the new husband and wife or father and mother on a card, recording the date and keeping the card in readiness for use the following year and on each succeeding anniversary. In the case of marriages, the names of all those interested, as reported by the newspapers, are also kept on the card and these persons are reminded, eleven months later, that the first anniversary is almost at hand. In case of the births, the record consists of the child's name, sex and date of birth, and also a cross index to the card containing the particulars of the wedding of the father and mother, if that event occurred during the life of this particular index system. If the latter be true, then those persons who were interested in the wedding will also be interested in the birth.

A common source of names is the telephone book. Little need be said about that, except that in a general list the people having telephones ought to be checked so that they can be distinguished from the families without that service. Not only is the suggested difference in financial standing worth considering, but the knowledge that your prospect has a telephone may influence your directions for replying to your offer or proposition.

"We are waiting at the other end of your phone for your instructions. Just ring Madison 3845." This statement obviously will make little impression on the man who has to go several blocks to telephone.

In this class of subscribers to public

It Sold Stoves

THE William Krueger Hardware Company, of Neenah, Wisconsin, got in a big stock of new stoves and ranges. To obtain a mailing list of the most desirable prospects it offered prizes to the three children who should report the names of the women owning the oldest stoves in Neenah.

The prizes—articles of merchandise taken from stock—were prominently displayed in a window with a number of the new stoves. A placard called attention to the contest and invited children to come in and ask for particulars.

In the search for decrepit stoves the youngsters called on their grandmothers, aunts, neighbors and even distant friends. Few, indeed, were the homes that were not visited by at least one contestant.

What was the result? The end of the search found the company in possession of the names and addresses of 164 women whose stoves had been doing duty for from ten to thirty years. Personal letters were sent to these women, and in the course of a few weeks thirty-two new stoves had been sold to displace worn-out ones. In addition, the company had a list of more than 100 likely prospects for future orders.

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utilities we have another type of information about prospects which often comes in handy. Quite possibly you will be able to get from the local gas or electric company a list of their consumers. If the company won't let you have the information officially, you can buy a list from a bookkeeper or clerk for a couple of dollars. It is worth more than that, surely; for the knowledge that this man has gas but no electricity, while that man has both, and a third has neither, will certainly stand you in good stead when you go after his business.

If you are sending out a circular about electric irons you would want to know where to send it; if you were selling a new indestructible gas mantle you wouldn't want to spend much money circularizing homes in which oil lamps were used for illuminating. And here, again, the difference in the desirability of the prospect is in a way indicated by the sort of things he uses. The family with a motor car, a telephone and electricity is worth more, as a rule, than the family without any of these improvements.

In a little town in Southern Texas is a small merchant who is destined some day to be a big one. A stranger to this town, he moved in with a stock of men's and women's clothing and furnishings. Realizing the difficulty of drawing trade from houses long established, he decided to send out sales letters.

It was an easy matter to get the name of every person living in or near the town for his mailing list, but he figured that the percentage of "deadwood" in such a list would be too great; he wanted only the "live" ones. Accordingly, he wrote to each of the banks in his territory as follows:

"Can I have a list of those of your customers who can overdraw their accounts?"

Even though this merchant didn't get the names he wanted, he had the right idea. He recognized the self-evident fact that there is a vast difference in people's willingness and capacity to buy.

The names of men and women with either savings or checking accounts in the various banks in your town constitute a valuable list. If you can't get that information from one clerk or another in each of the various banks, you surely ought to be able to get it from the bank in which you keep your own account. You don't need to know how much money those people have; just the fact that they are frugal enough to save, or efficient enough to utilize a checking account, helps you in determining many things.

Small as it may seem, you may throw away a sale by assuming that the reader of your letter has a check book when he really hasn't. Remember that the average recipient of a sales letter is often subject to the suggestion you use. If you say, "Pin a check to this sheet and send it back in the enclosed envelope," he will scarcely be prompte dto "pin" $4.65 in cash to that letter, will he?

But if you know positively that he doesn't pay by check, you can save time for him and make it easy for him to act by enclosing a money order form or a coin card—or by removing the need of his sending the money at once.

From an entirely different angle you can use the names of families who have just moved into town. The circumstances in your own particular community will tell you where to go for that information—but it is to be obtained. And there is no argument about the importance of such a list; being new residents, these people constitute an unworked field for you to cultivate. The merchant who is progressive enough to go after the newcomers usually will retail their trade by virtue of the fact that he demonstrated such an interest in their arrival. In the long run, little things like these count heavily.

One more general fund before we drop the topic—for something as cheap as a cent a name you can obtain the services of a number of school boys who will furnish you the names and addresses of the parents of public and parochial school children. Much of this same information may be obtained in other ways—from the election records, perhaps—but it will be an important method of supplementing your lists, for not all the parents in your town are voters, and not all of the voters are parents.

Regardless of that truth, however, the information these children can give you will be more comprehensive than the information you will get from other sources concerning youngsters. Their names, grades in school, teachers' names and similar data all go to make up interesting and valuable information for future use.

The matter of duplication suggested in the foregoing paragraph presents a problem worthy of note. If a merchant makes use of these ten different sources of names and obtains 10,000 from them, he will, of course, have quite a few duplicates. The effectiveness of the system, however, does not depend altogether on the number of different prospects obtained, but to a considerable extent on the concrete, definite information that can be learned concerning those prospects.

If, out of 10,000 names, a dealer gets a total of 8,000 different individuals or families, he should make up that list in such a way as to permit the recording of the knowledge which accrued during the process of collection. Therein, perhaps, lies the greatest value of the method. Take an example:

Under "J" you may have Albert Jones, Thomas Johnston and William Henry Jasper. You have their addresses—nothing else. What does that record show? Absolutely nothing!

But under the operation of all these ten dragnets you have a result something like this:

> Jones, Albert. 32 Pine Street. Madison 34 J. Age: 32. Married; no children. Gas but no electricity. No car. Rents home. Mechanic.
>
> Johnston, Thomas. 301 Walters Avenue. No phone. Age 26. Single. Lives with mother. Motorman. No gas; no electricity; city water. Rents home.
>
> Jasper, William Henry. 42 Alexandria Place. Sterling 1737. Age 40. Married; two children (Alice and William H., Jr., 2d and 8th grades, P. S.) Packard car. Gas and electricity. Owns home and two houses; garage on property. Manufacturer. Safe deposit box; checking account; invests money.

The difference needs no explanation. No matter what your line or business may be, the second method of classification will be 100 per cent more valuable to you than the first. Every merchant, from the grocer to the undertaker, can use just such material.

Aside from the type of data that can be obtained in this way and by these means, there remains still another run of ideas which may mean ready cash. A list of men who belong to the golf club, as one instance, comprises a distinct set. The roll of fraternal orders, social organizations or athletic clubs, constitutes another. Suppose you are a druggist—if you could get a list of the men who were about to take the initiation degrees for the Masons or Odd Fellows or Knights of Columbus, you could send out a rattling good letter with an ideal point of contact, advertising some of the items you carry, such as arnica, liniment, witch hazel and so on. You might not sell much merchandise, but you would get some mighty timely advertising! An insurance agent could work the same idea; so could a tailor, a laundryman, an undertaker, a bank, and many others.

With a half hour's steady thought a dozen good ideas could be produced on the strength of an intelligent, comprehensive list of names. Thus, in many incidental ways, would it pay many times over in addition to the constant, every-day value that is attached to it.

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For the Freedom of the Cheese

By the REV. M. S. RICE, D. D.

This story is the transcript of a portion of an address which Doctor Rice gave before a convention of business men in Detroit.

Fearing that a style adapted to the occasion of an extemporaneous talk might seem less appropriate for print, Doctor Rice suggested that he revise the manuscript.

"Excuse us, Doctor Rice," we said: "we should like to give this story to the readers of BUSINESS just as you told it from the platform to those business men." So here it is, all but Doctor Rice's gestures—and we reproduce even one of those.—Editor.

WHEN we entered the late war Germany had an idea that the United States of America could not do certain things Germany was doing. She thought she was doing for us things we could not do for ourselves and began to hand us lists of things that we couldn't get along without and that we couldn't get any longer from Germany.

One of the first things that Germany said we couldn't have any more of was rennet.

When I heard about it I asked, "Any more what?"

"Any more rennet."

I called up my wife and asked if we had any rennet. Then I said, "Order some."

She asked, "Where do you get it?"

"That is none of my business," I replied; "you do the buying for the house."

She didn't know whether to call the jeweler or the blacksmith. What is rennet? I didn't know—didn't even know we had been getting it. But Germany said we couldn't have any more rennet, so I wanted rennet. Anything Germany said I couldn't have I wanted, and I proposed to have it.

At this time a friend of mine was employed at the great medical laboratories of Parke, Davis & Company. When he went to Ann Arbor to go to the university he found so many subjects that he couldn't make up his mind what to study, so he wrote to his uncle, "What shall I take?"

The uncle wrote back, "Bill, take chemical engineering."

Hence it happened that when we entered the war Bill was an expert chemical engineer. Then when Germany said we couldn't have any more rennet Bill said, "We will," and he rolled up his sleeves and went to work.

I will tell you what rennet is—you fellows who want to know. Rennet is a little lollygigger or dollyflopper or something on that order—a little membrane that is found in the fourth stomach of a calf. That is what it is a membrane in the fourth stomach of a calf. Just what a calf is doing with four stomachs I don't know. If I ever made one I would make him on another design.

If you get through the first three stomachs and into the fourth one you will find rennet. So whenever you go looking for rennet you will know where to look.

Rennet is a little membrane that contains a chemical quality called rennin, and it is used to coagulate milk in the making of cheese. If you make cheese you must have rennet.

The strange thing about it was this: When the war came on, Germany was furnishing the whole world with rennet. In Bavaria they had discovered that if you slaughter a calf before it has eaten anything you will find just the right kind of rennet.

Here in America we said, "We are raising beef and we want calves to live. We would rather have a beef with rennet in it than to have rennet to sell to the world, but no beef."

So when the war came on they blockaded the cheese output of the world. Up jumped my friend Bill, out here with Parke, Davis & Company, and said, "We'll show 'em."

In these days of the high cost of living he didn't start to look over a calf in order to get rennet in order to make cheese. No American who is in a hurry ever fools away any time on a calf. So Bill paid no attention to the calf, but headed for a better animal. He began looking into a hog.

Bill says, "The hog has only one stomach. That is one advantage, for we won't lose any time by getting into the wrong place." So he went at the hog.

I was out at the factory one day soon after Bill returned from a trip to Chicago. He told me he had been over attending the cheese-makers' convention.

"What in the world were you doing at a cheese-makers' convention?" I asked him; "I didn't know that cheese had anything to do with medicine."

Then he told me the story of this rennet business. He showed me a lot of great big copper vats and said, "Climb up and look into that thing."

I did. Never in my life have I looked into anything like it. In that vat were five thousand hogs' stomachs, boiling in one vast magnificent stew. I marveled at the spectacle until Bill said, "Let's go to another part of the factory."

I gasped and said, "I am ready now."

From that room we went into the laboratory to see the finished product, and I wish you could have seen it. He had rennet in liquid form; he had it in powdered form, and he had it in a highly-condensed powder form.

With a quarter of an ounce of this powdered stuff—which I suggested should be called "hoggit"—he could coagulate twelve thousand pounds of milk.

At the time I saw him—and it was not very long after we had entered the war—this new product of the hog had been used in making half a billion pounds of fine American cheese, and you could smell it as far as any German cheese that ever was made.



The camera has caught Doctor Rice just as he was finishing his story. "And you could smell it as far as any German cheese that ever was made."

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Profitable Advertising— And The Other Kind

By

J. R. SPRAGUE

A *HARDWARE* merchant in a western city was preparing to put on a money-raising sale. Business was dull and he had made the mistake of buying his merchandise from too many wholesalers. He owed money, mostly in small amounts, to more than seventy-five concerns and some of them were beginning to insist on immediate payment. To get his affairs straightened out he needed about $4,000 in cash, and he hoped to raise this amount by a two weeks' cut-price sale.

On a certain Thursday the hardware merchant ran a card in the afternoon paper, announcing that his store would be closed Friday and Saturday in order to prepare for the big sale which would start Monday morning.

This was the signal for the mobilization of the advertising men of the community. Early next morning the hardware man was in a state of siege. The front door of his store was locked, but a secret path was discovered by way of the alley leading to the back door. The hardware man was approached in turn by representatives of both the morning and the evening papers, the Union Labor Weekly, the High School News, the Opera House Program, a committee of ladies in charge of an entertainment for the benefit of the Playgrounds Association, and a poet who wanted to write verses describing the bargains in hardware in large chalk letters on the sidewalks all over town.

Like a great many other small retailers, the hardware man had peculiar ideas about publicity. He believed the principal value of advertising lay in getting on the good side of the person who had the ad. to sell. So he prepared to take small space from all comers, not so much with the idea of directly selling goods from his printed publicity, but to bribe the solicitors to tell any inquiring friends that a big sale of hardware was going to be pulled off, and that the proprietor was a fine, liberal fellow.

It was the solicitor for the evening paper who talked him out of that sort of advertising campaign.



He never advertised in programs and so would just make a $5 donation instead of taking the $10 advertisement. Then he charged the expense up to charity where it belonged instead of advertising where it did not belong

"How much do you intend to spend advertising your sale?" he asked the hardware man.

The latter replied that he did not feel that he should spend more than $200 as that would be 5 per cent of the $4,000 which he hoped to raise.

"All right then," said the newspaper man, "let us figure on spending $200. The way you are planning to do, I suppose, is to spend about a $100 on these weekly papers, program ads. and other scattered advertising. The other $100 you plan to split between the two daily papers."

The merchant admitted that he guessed that was about the way he had figured.

"But when you have done that," continued the newspaper man, "you won't have gotten anywhere. The small space you can buy for your money in so many publications won't count for anything. I know you are afraid these other solicitors will get mad at you if you turn them down, but you must not forget that your real need is to raise $4,000, and not to buy friendships.

"If you did not care how much you spent for advertising it might be well to take on all comers, even to the sidewalk poet; but when you have a limited appropriation the only thing to do is to concentrate. Of course I believe the paper I work for is the best, and I naturally think you ought to spend your whole $200 with me. But even if you should decide to turn me down and use the morning paper exclusively, I should still say you were doing the wise thing."

The merchant took the newspaper man's advice and used the evening paper alone to advertise his sale, with entirely satisfactory results. The rival daily, to be sure, did get cross and put the hardware man on its black list. Three months later when he donated a prize cup to the kennel club, no mention of the matter was made in the morning paper's sport column; and likewise when he was elected to the directorate of the chamber of commerce the readers of the morning paper were not informed of the event.

But the hardware merchant did the only wise thing when he spent the whole of his $200 in one publication instead of scattering it around. If he had weakly used all the mediums offered, the space in each one would have been so small as to attract little attention. But by concentrating in one paper he was able to run a full column every day of his sale, with occasionally a quarter page, and really make an impression.

Recently at an advertising men's convention, a round table was held to consider the problem of the small advertiser. The question considered was

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this: If you were just starting in a retail business and could afford to spend only $50 on advertising the first year, how would you spend that $50? Or if you could afford to spend $500, how would you spend that? Or $1,000? Or $5,000?

Among the publicity men present was one who not only has a national reputation as an organizer of advertising campaigns, but who knows advertising from the ground up. His knowledge is not exclusively of big business, for he was originally a clerk in a shoe store in a town of 40,000 inhabitants. He became advertising writer for this store and did it so well that he was offered the position as advertising manager of the local morning daily. After spending some time in newspaper work he bought the shoe store in which he formerly clerked, and ran it so successfully that in five years he could afford to sell out and gratify his ambition of buying an interest in one of the country's most prominent advertising agencies. Here is what this man said on the subject of the small retailer's advertising problem:

"If I were just starting in business and could afford to spend only $50 or $100 on publicity the first year, I would invest the money in postage stamps and stationery and write personal letters to a selected list of prospects, telling them what I had to offer.

"Up to $500 a year I would do only this direct-by-mail advertising, and I would do it mighty carefully. I would revise my mailing list every time a new phone directory was issued, and I would send every letter out under full letter postage. I would say 'No' to every other form of publicity, trying to say it so pleasantly that I might still hold the solicitor's friendship; but I would say it anyhow.

"When my finances got to the point where I could afford $500 a year, then I would change my methods and spend all my money with one of the local newspapers. But not until I could afford to spend $4,000 or $5,000 a year, would I think of patronizing more than one paper."

There is a man of the writer's acquaintance who has been in the retail trunk business in a city of more than 100,000 population, for more than 20 years. During that time he has averaged an annual business of more than $40,000, which should have made him a good living and at least $2,000 or $3,000 a year in accumulated profits. But during all these years he has not accumulated anything. He has managed to make a living, but he is actually worth no more than he was twenty years ago. He sits up nights worrying over his bills and writing apologetic letters to his creditors, just as he did when he first went into business.

The trouble with this trunk dealer is that he throws his money away in what he thinks is advertising. He does not appear regularly in either evening or morning paper, but whenever there is a special edition and the solicitor needs another quarter page to balance up the paper, he can always talk the trunk man into it. On the other hand, the trunk dealer uses the opera house program with almost too much regularity. When the theatrical season opens in September he signs a contract calling for a six-inch space, price $12 a month, and writes a snappy ad. which states that his "new fall goods are arriving daily, inspection invited." And this same announcement is still appearing when the opera house closes for the season in May.

But the trunk merchant's main advertising activities are among the spontaneous, or amateur, publications. For fifteen years no lodge in town has pulled off a minstrel show without his advertisement appearing just above the cast of characters. The leading hotel signs him up each year for two contracts—one for his advertisement on the hotel register and the other on the card of rates tacked on the door of each room, where guests are informed that the price of the room is $2.50 a day, that they may have clothes pressed promptly by phoning the office, and that the firms whose advertisements appear on the card are among the most reliable in the city and worthy of patronage.

The trunk merchant has spent more than $2,000 a year on his publicity during his whole business career, and he might just as well have saved his money. He does not particularly believe in advertising as a selling force, but has an idea that he makes friends among the sellers of space who will recommend customers to his store. But the amateur minstrels forget about the $10 ad. which appeared on their program and buy their baggage wherever they think they can get the best prices. Nor does the hotel clerk who solicited the ad. on the rate card always send inquiring guests to the advertiser's store. Sometimes he has a quiet arrangement with the rival trunk dealer to get a 10 per cent commission on any business diverted in that direction.



He was the first merchant in town to sign up with the polished stranger who placed large thermometers in various public places and sold advertising space around them

The trouble with many small merchants is that they are afraid to come out flat-footed and turn down those who plan to take their money away from them. And sometimes it is indeed a hard thing to do. When the ladies of the Beautiful Back Yard Association plan an entertainment and the chairman appoints a committee to solicit advertisements for the program, there is trouble ahead for the storekeepers on Main Street. Each committee woman makes a list of those merchants whom she favors with her patronage, feeling that as they have always been so accommodating they will surely not refuse her a little $10 advertisement, particularly when it is for such a good cause. And so when the committee walks into a man's store, it is almost like making a choice between losing a $10 bill or the business of a good customer.

But the refusal must be made if a man is to succeed, for such little leaks may easily take all his profits. And once a merchant has placed his advertisement in a program he is a marked man. Whenever a committee starts out to solicit program advertisements the members first look up some of the recent publications in that line, and promptly call on all firms whose names appear. It takes an ingenious merchant to explain to the committee from the Woman's Club why he will not put a $20 ad. in their year book, when only the month before he patronized the Elks' minstrel show to the extent of a quarter page.

Two jewelers in a southern city of 75,000 population began to do serious advertising at about the same time. They were both small merchants, having been in business only a short time, and each decided that he could afford to spend only about $500 the first year. One of them followed the rule of trying to be a good fellow with as many people as possible, and split his advertising appropriation up into many parts. Both morning and evening newspaper solicitors were friends of

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his, so he felt he must give each of them a little business.

About twice a month each paper would print his advertisement, occupying a quarter of a column, which stated that he carried at all times a full line of jewelry and silverware, and that he made a specialty of repairing. This jeweler was also a good customer for the sellers of spontaneous advertising. Acting on his theory that advertising is mainly for the purpose of bribing the solicitor to recommend customers to one's store, he took small space in all mediums, ranging from the Street Railway Employees' Annual Picnic program to the African M. E. Church hymnal. And he was the first merchant in town to sign up with the polished stranger who placed large thermometers in various public places and sold advertising space around them, so that citizens might study the temperature and at the same time learn where to trade.

As may be surmised, $500 worth of this kind of advertising did not get the merchant very far. He kept it up for a year or two, and then, deciding that advertising was no good, discontinued it in every form. But, like the kaiser, he found it was harder to quit than to start. The Labor Day program committee, thus ruthlessly cut off from its annual $5 ad., threatened him with the loss of all the labor trade in the city, and the Tuesday Musical Club passed an indignant resolution pledging the members not to deal with any merchant who discontinued his advertisement in the club's year book without good reason.

The other jeweler made a better start. Fortunately for him, he was not on speaking terms with the business manager of the evening paper on account of a previous fist fight and so was not bothered by solicitors from that office. He had stamina enough to turn down the salesmen for amateur advertising mediums. When actually cornered by a committee of his own customers, he had quite a knack of effecting a compromise by saying that he deeply realized the need of a new carpet on the lodge room floor, but he never advertised in programs, and so would just make a $5 donation instead of taking the $10 advertisement. Then he charged the expense up to charity, where it belonged, instead of advertising, where it did not belong.

And so this jeweler was free to spend all of his $500 in one medium, which, through force of circumstances, was the morning newspaper. The solicitor for the paper was a wise man who thought he saw future possibilities and took a personal interest in the jeweler's publicity.

When his advertising first began to appear, the jeweler was besieged with offers from professional writers who wanted to prepare his copy for him. But the newspaper man argued him out of it. "Learn to write your own stuff," he pleaded. "Probably it won't be quite so smooth and polished as the work of professional writers, but it will convey a truer idea of the facts. When you yourself write an ad. about a special $32.50 wrist watch, you will not say that it is a Creation of Surpassing Beauty and a Fit Ornament for a



The Tuesday Musical Club passed an indignant resolution pledging the members not to deal with any merchant who discontinued his advertisement in the club's year book without good reason.

Shapely Arm, as the professional writer might. Not knowing how to write beautiful phrases, you will simply tell the public that the watch is solid gold, has fifteen jewels and is guaranteed to run within two minutes a week.

"You will not know it, but that is what experts call linking up your publicity with the policy of your store. You would never stand behind your counter and talk about surpassing beauty and shapely arms, when you were trying to sell a wrist watch. You would talk about how close the watch would keep time, and why the fifteen jewels make it more durable. And so, when the customer is brought into your store by the newspaper advertisement, the oral argument is along the same lines as the printed one.

"When your business grows so that you can afford to employ an advertising man, then you can safely relinquish the job yourself. But it is poor policy to have some one write your advertisements who is not really a member of your organization and in touch with every intimate detail of the business."

Possibly the newspaper man was killing two birds with one stone in giving this good advice. He knew how much more interest the jeweler would take in his advertising if he wrote it himself. No merchant is going to count too closely the cost when he can get up early on a Sunday morning, slip out in the front yard in bath robe and slippers to get the paper, and spreading it out on the dining room table, pore over his pretty quarter page ad., reflecting at the same time that he wrote every word of it, and that 30,000 people will read it that very morning.

It was not long before the jeweler began to see results from his advertising. Of course he could not use large space on his limited appropriation; in fact, during the first year his regular space was only half a column twice a week. But a great deal may be put into half a column when one's heart is in the work. He did not waste an inch of space by making sweeping statements to the effect that all his goods were absolutely guaranteed, or that he gave the most for the least money. His advertisements consisted merely of illustrations of certain articles with a plainly-worded description, and the price. But when a person came into his store to look at one of the advertised articles a feeling of confidence was established because the illustration, the printed description and the sales talk all agreed.

An advertisement is like a person in that it may be too smooth and polished for greatest effectiveness. Most of us feel just a little uneasy in doing business with a man who is wholly elegant, graceful and worldly. There is probably a subconscious feeling that so wise a person could, all too easily, put something over us if he wanted to. We like to see a wonderful person on the stage, but when it comes to buying a delivery truck or a suit of clothes, we would just as soon patronize a man who looks as if he might have lived on a farm when a boy.

As the jeweler's business increased he began to use more newspaper space. He continued to appear only twice a week, but in place of half a column he began to use full columns, and even quarter pages. Such publicity costs a good deal of money from a small retailer's viewpoint, with space at 70 cents an inch, but he kept up his advertising right through the dull summer months when most small storekeepers are thinking more about the wages for the clerks on Saturday night than about newspaper publicity.

Competing merchants wondered where he got the money to do it with. For it is embarrassing, to say the least, to have the newspaper collector call on the first of the month, and have to frame up an excuse each time that will seem plausible. But this southern jeweler had planned it all out, and had made a proposition to the newspaper management for financing his publicity

(Continued on page 28)

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To All Deadbeats, Greetings!

By C. M. REED
Assistant Secretary, Denver Retail Credit Men's Association

A *WELL-DRESSED* woman recently walked into one of the leading Denver retail stores, selected about $75 worth of fine merchandise and asked to have it "charged." She was referred to the credit man, who asked her to fill in and sign a standard application blank. This she refused to do, saying her husband had cautioned her never to "sign anything." Futhermore, she said, she was not accustomed to having her honesty questioned in that way. With this parting thrust, she turned and walked out.

Suspicious of the would-be patron, the credit man inquired of other merchants along the street about this woman, and learned that she had made similar attempts to buy goods on credit of three other concerns—each time without success. Later it developed that the woman was a professional "deadbeat;" that she had been in Denver only a few days, and that she had victimized retailers in other cities. In Denver she was balked by the application blank, and so far as we know she imposed on none of our merchants.

This incident, by no means an isolated one, illustrates the wisdom of the Denver merchants in adopting a standard application form. As a result of its adoption the heavy losses formerly sustained by our merchants have been substantially reduced, the trade is being educated along sound lines, and charge accounts are more desirable than ever. The customer who is honest is encouraged more than ever to buy on credit, while the deadbeat, not sure of his or her ground, becomes both less bold and less successful in fraudulent buying.

The fact is, the public has been educated by banks, insurance companies and other financial institutions to make formal applications for loans, insurance or credit, and compliance with the inevitable request follows as a matter of course. Now the merchant is not lending money or selling insurance, but what he does sell represents high value none the less; it is the same as money to the owner and must be paid for by the owner in cash or its equivalent. Why, then, should not a mercantile concern adopt the same safeguards that are required by banks and trust companies?

If the seeker of credit needs $100 worth of goods and lacks the cash, it follows that he must do one of two things: borrow the money at the bank and pay cash, or buy of the merchant on credit. If he goes to the bank he must make formal application for the loan or he gets no money. Is it not perfectly reasonable to assume that if he seeks to get the merchandise on credit he incurs the same obligation to make a formal application of the merchant?

There can be no doubt that the proper time and only real opportunity to get information regarding a new charge customer is before the account is opened; afterwards the information may come too late. It took years for credit men as a class to discover the importance of this principle.

The adoption of a standard application blank was one of the first moves for efficiency inaugurated by this association. Crude in the beginning, to be sure, but defects were remedied one by one. Meanwhile the public was being educated to the advantages of sound credit practice, and today almost every retailer in Denver is using the form recommended by the association after many years of experience and work in gathering various forms used by retailers throughout the nation.

To look back fifteen or twenty years and compare the reference cards still on file in some of our larger stores with the formal application blank of today, we quickly appreciate the improvements achieved. Recently the writer had the privilege of examining the old files of a well-known retail concern and was amused to find reference cards appearing therein with notations something like the following:

JOHN SMITH, machinist, 1921 Stout street. Looks good to me. O. K. for $50. 30 days.

HELEN WISE, widow, Fairfax Hotel. Has three children. Not employed; now looking for work. O. K. for $25. Looks honest.

BILL JONES, painter no address. Lived here six months. Says he is working. Does not booze. Looks O. K. for $25.

To the present-day credit man the foregoing will appear ridiculous, but nevertheless they illustrate how the credit man of twenty years ago really did business. It will be seen from these references that the credit man made no attempt to determine the financial status or anything whatever respecting the antecedents of the applicant. If the applicant talked well and looked halfway respectable, he or she could "get by" the credit man for a fair line of credit.

Such methods, however, could lead to but one end—loss and failure. In neglecting to

MEMBER OF
The Retail Credit Men's Association

For the purpose of procuring credit of you, from time to time, (I or We) furnish you the following information:

GIVE NAME IN FULL

Name Joe Doe

Residence Sinton Hotel — Room 410 (HOW LONG)

Former Residence Cincinnati Ohio - Lebanon Ky (HOW LONG)

PARENTS NAME

Do you live at home ✓

Business or Occupation Salesman

Employment by Rosedale Foxhill Co (HOW LONG)

Real Estate L 2-4 Blk 6 — Mahoney Hills Envy O Mortgage $ 1500 Envy Trust Co

In whose name Joe Doe Value 4500.00

Introduced by Self.

Reference Envy Trust Co. Envy O.

Reference L C Brown Inv. Co Envy O.

Reference Greenwich Bank Envy O.

Bank With Home Nat'l Bk Co — Checking Account ✓ Savings Account ☐

TERMS ADOPTED BY MEMBERS OF THE RETAIL CREDIT MEN'S ASSOCIATION

"Monthly settlements in full; accounts due on presentation of bill."

6/5/19 191 Signed Joe Doe Sinton Hotel

Standard credit application form used by Denver retail merchants

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fortify himself by obtaining complete data regarding the applicant, the merchant frequently made himself the victim of unscrupulous or unfortunate persons who either would not or could not pay their bills—people who had no financial standing and whose station in life was such as to preclude the advisability of taking their business except on a cash basis.

When the Denver Retail Credit Men's Association first suggested reforms in credit practice many merchants and credit men remonstrated. They said that such reforms would mean commercial suicide; that the public, long encouraged to take advantage of loose credit methods, would stand for no such measures, but would take its business elsewhere—to firms, for instance, that were not so exacting; firms that would trust anybody and everybody for the sake of moving merchandise.

It was a long, hard, up-hill job, but continual education of the merchant along co-operative lines eventually brought results. Members of the association finally agreed to co-operate with one another in the work of reforming the credit-seeking public: first, by adopting a standard form of application; second, by insisting that all applicants for credit fill in and sign the form.

A clause at the head of this form is worthy of special mention, this clause reading: "For the purpose of procuring credit of you, from time to time, I (or we) furnish you the following information."

Then and there the customer is given to understand that his or her statements, as contained in the application, are presumed to be correct, and that credit is extended or declined solely upon representations made by the applicant in the application; furthermore, that this application, when duly filled in and signed, becomes a part of the firm's permanent records and a part of the applicant's contract with the firm; that if the application contains any misrepresentation and if the applicant does not pay as agreed and has to be sued, the application can be introduced as evidence of fraud.

When this form was first adopted some of our stores reported that certain applicants pretended to take offense and refused either to fill in or sign the application, stating that they would go elsewhere with their trade. When they did go elsewhere, however, they found that they were asked to fill the same form before obtaining the desired accommodation, so they finally realized that they would have to do one of two things: pay cash or fill in the application.

With this condition confronting them, they soon became reconciled to the modern way of applying for credit, and today it is seldom that any of our stores experience difficulty in inducing an applicant for credit to fill in and sign the formal application, to the benefit of all concerned.

Swat the "Spiff"

By F. McL. RADFORD
Advertising Manager, The Bon Marche, Seattle

A *"P. M."* is a barnacle, isn't it? It is small enough, and inconspicuous enough, to begin with; it doesn't make any perceptible difference in the speed of the ship. But bye and bye it gets a little larger; it is slowing down the ship, but to such a slight degree that the captain and the crew only faintly realize it. Then is the time to overhaul the ship and knock off the barnacles as quickly as you can. Or, to paraphrase a well-known expression, it is time to "Swat the Spiff."

We never have been a "p.m." house; we didn't have to be; we did a cash business in the medium-to-fair price ranges, sold pretty close and made a fair number of revolutions in the matter of stock turnover.

But the "p. m." habit crept in unawares; some buyers who had been used to it in other houses started "red-inking" the slow sellers and "got by" with it. The thing ran on for a dozen years, perhaps, never getting very big; if it had grown faster we probably would have abandoned the practice long ago, but it was saved by its size—or rather, its lack of size.



The Bon Marché

Premium-Spiffs-E.P.'s-P.M.'s

It is a fairly general custom among retail stores to push the sale of slow-moving merchandise by paying the salesperson an extra commission or bonus on such sales. These extra payments are called "Premiums," "E.P.'s," "P.M.'s," or more colloquially, "spiffs."

This method (although its legitimate use can be defended) is obviously open to criticism. In actual practice it is difficult to control and we have therefore come to the conclusion that it violates the fundamental principle of our organization, namely:

THAT WE SHALL CONTINUE NO PLAN OR POLICY IN CONDUCTING THE BON MARCHE WHICH WILL NOT BEAR THE FULLEST PUBLICITY OR WHICH UNFAVORABLY AFFECTS OUR CUSTOMERS' INTERESTS IN THE SMALLEST DEGREE.

Obviously by giving special reward, undesirable merchandise can be forced onto a customer, who is trusting us to advise her honestly.

COMMENCING MONDAY, MAY 5TH, THE BON MARCHE WILL DISCONTINUE THE USE OF ALL SUCH SPECIAL INCENTIVES.

We can now guarantee to our customers that our merchandise is being sold on its merits, and without any hidden or unsuspected influence.

Advertisement in which The Bon Marche announced its change of policy

It was too small to bother about until one day an executive with an inquiring turn of mind started on a still hunt for "p. m." facts and unearthed some very interesting figures on the subject. He found that most of the "p. m.'s" were paid in a few departments; that 50 per cent of all the "p. m.'s" were paid to a small group of salespeople, and that these salespeople were not, by any means, the ones who ran the high books in their departments. In short, we found that the "p. m." system, instead of keeping the stocks clean, was having just the opposite effect and was creating old stock. When we discovered this very vital fact we decided to do away with "p. m.'s" altogether. Accordingly, we laid our heads together and prepared an advertisement which explained our new policy and which appeared in the Seattle daily papers of May 4 last.

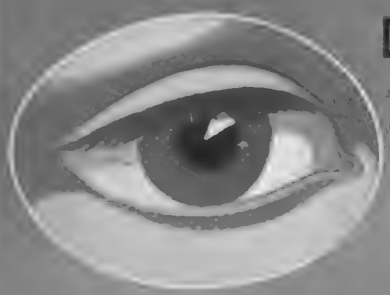
We didn't want those of our salespeople who had been earning "p. m." money to suffer a reduction of salaries in the face of the higher cost of living, so in the departments most addicted to the practice we gave the salespeople a commission of one-half of one per cent of their sales.

Now, what was the reaction from our advertisement on the mind of the general public? Well, it was a little like Browning's "The Ring and The Book," in which there were thirteen different explanations of one murder.

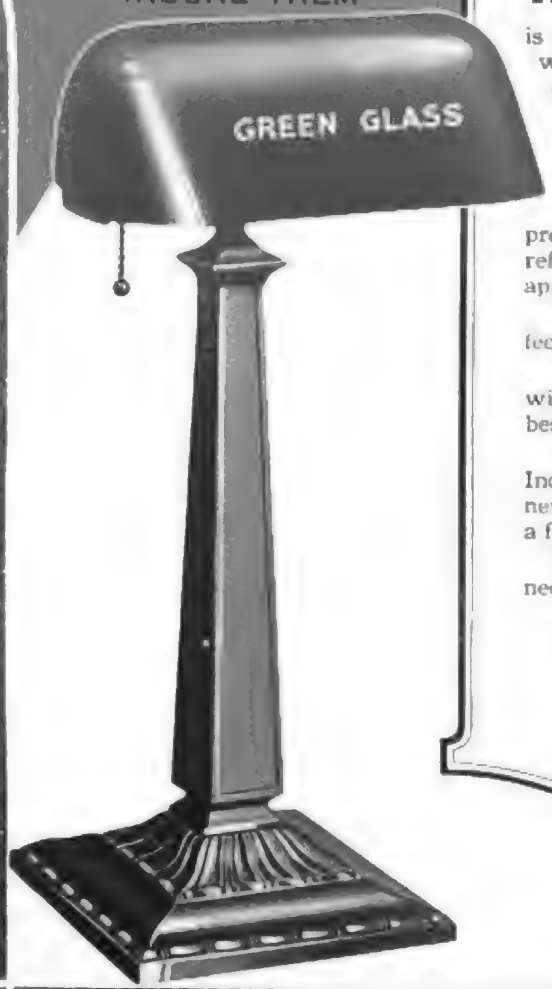
(Continued on page 24)

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EMERALITE



EYES ARE
PRICELESS
INSURE THEM



Desk-Top Daylight

Daylight is the best working light for your eyes because the irritating red rays are not so strong as in ordinary artificial light.

You can now have your desk lighted with an even daylight that will surprise your eyes by its softness and enable them to do more and better work without fatigue.

The Emeralite Daylight Attachment

is a simple, practical and inexpensive device, which, when applied to any Emeralite, changes ordinary electric light into daylight of proper intensity, increases visibility and eliminates the glare reflected from desk top.

The Green Glass Shade

protects the eyes from the direct glare of the lamp, reflects an even daylight glow over the work and its appearance adds tone to your office.

Emeralite, always the *best* desk lamp, is now perfect — a satisfying service worth many times its cost.

Your eyes are priceless; protect them. An **Emeralite** with **Daylight Attachment** is the cheapest and best eye-insurance you can buy.

You probably have an Emeralite on your desk. Increase its utility and improve its service with the new **Daylight Attachment.** Anyone can apply it in a few moments.

There is an Emeralite for every reading and writing need — for every desk — for every location.

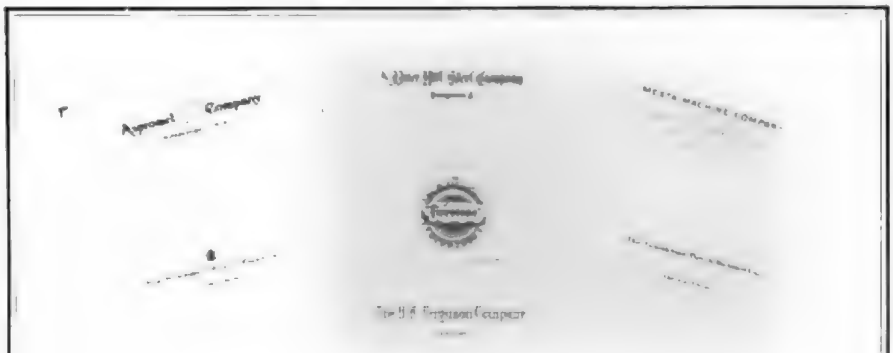
Sold by electrical and office supply dealers everywhere.
Complete interesting catalog and demonstration upon request.

H. G. McFADDIN & CO.
40 Warren Street NEW YORK

Makers of lighting equipment since 1874

The National Desk Lamp

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Stationery of Distinction

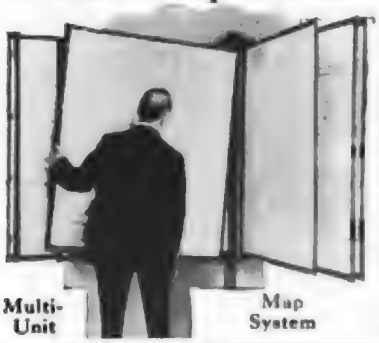
A MAN is particular about his dress, his home, his automobile, because they represent his standing in the community. Why shouldn't he be equally particular about that which represents him in places where he cannot be—his business stationery.

Nine out of ten letterheads misrepresent the business they stand for. Yet between the costliest and the cheapest paper, between the richest and most indifferent execution, there is not enough difference in cost per sheet (on which important business matters are written) to warrant "economizing." Stationery is but one feature of our business but we know how to make it distinctive. We do good work; work that is worth its price; the kind you'll want if you are proud of your business.

The Edwards & Franklin Co.
Distinctive Business Stationery
Youngstown, Ohio
Medal, London, 1914

Your Map Problem Solved

Dependable Map Information Easily Accessible



The Multi-Unit System allows use of large scale maps on which detailed commercial information is clearly indicated. They show Counties, Townships, railroads, electric lines, and all towns, regardless of how small. The index is arranged on the front surface with population and key for location.

Multi-Unit Map System

makes it easy to "*keep track with tacks*," or *mark on the specially celluloided surface with water color paints, crayons, pencil or inks.* A moist cloth instantly clears the surface when you want to change your territory marking.

Sales Managers! Keep the record of each salesman's daily movements where it can be instantly referred to—in your office—at arm's reach—yet out of the way when not in use. Whether your territory is a few states or the entire forty-eight—you can keep a set of maps large enough to show every detail—yet occupying very little more space than a single wall map.

Write for information and suggestions for map equipment covering your particular field. We can solve your map problems. Tell us your needs.

Multi-Unit Map System

NATIONAL MAP COMPANY
Indianapolis, Ind. Business Established 1885 New York City

Advertising Blotters

Men will remember your service or your product, if you send them **"Heyden Blotters"**—the "keep-in-mind" medium of Direct Advertising. Our Monthly Blotter Service, all attractive designs, well printed in "eye-catching" colors, gives you new ideas—good advertising toward out each month with your regular mail or otherwise. These blotters will find immediate use and tell your story repeatedly for less than one cent per man per month. They will fit right into your business—increase it and pay for themselves very quickly. Write today for circular 66.
Heyden Company, Inc. 416 S. Dearborn St. Chicago

BUSINESS will carry your message to 100,000 business executives who have the authority to buy. *Rates and additional data upon request.*

An Eye to Business

The killing of a bandit in the foothills of the Sierra Madre mountains in Southern California resulted in a new and popular outdoor sport—hunting for the treasure which people thereabouts thought the bandit had hidden.

A quick-witted hardware man placed in his window some garden tools and spades, also a clipping of the newspaper article describing the hunt for the treasure. A placard bore the following invitation:

"Get your outfit here to dig for the Dale Jones $30,000 buried treasure. It will come in handy in your garden even if you don't find the swag."

Swat the "Spiff"

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Some people thought it was a big and noble thing to do; thought it was progressive—and did not hesitate to say so.

Others did not quite understand what it was all about or, if they did, they had a feeling that in the past they had been duped by The Bon Marche and felt that the statement that we would not do it again scarcely made amends for what we had confessed doing in the past.

Among the retail fraternity opinions were also divided. We got some letters commending us on the stand we had taken and saying what a step forward it was, while concerns that used the "p. m." system to a large extent were wrathful and thought it was hardly fair of us "to tell."

Personally, I am glad we abandoned the "p. m.'s" as I have seen so many abuses of the system in the years I spent behind the counter—abuses that far outweighed any possible benefits to the house. Time after time I have seen sales lost because a salesman kept on showing goods that were "red-inked" when all the time the goods the customer wanted were lying peacefully on the shelves.

When I think of "p. m.'s" I always remember one incident that occurred when I was a salesman of dress goods. A fellow salesman was trying his best to sell an awful "sticker" to a Swedish woman. It had 10 cents "p. m." a yard in it, so each yard he cut meant two beers for him. He said to her most earnestly, "Madam, I would like so much to sell you a dress off this piece."

Her reply, in its way, was a classic: "Yas, Aye tank you would; dat bane purty old stuff." And with her nose in the air she marched out of the store.

Now, to sum up, we undoubtedly did the right thing to abandon "p. m.'s." We should have done it years ago. But frankly, I sometimes find myself debating this question: wouldn't it have been better to drop the system without saying a word about it?

Lemon Pie, Sir?

It is commonly asserted that one of the effects of the prohibition of the sale of liquor will be an increase in the sale of fruits. One of the leading bars in San Francisco used 700 boxes of lemons a year in mixing drinks, but the citrus fruit dealers report that more lemons were sold the first month after San Francisco went dry than in any other month for which they have records. Asked for an explanation, they reported that people are eating more lemon pie than ever before.

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Quick Sales for Sure Profits

By JAMES W. FISK
Bannon Brothers Company, Inc., St. Paul



A *MERCHANT* in a middle western city began to analyze his expenses in their relation to profits. He discovered that in his jewelry department his expenses encroached on his profits at the rate of one-fifth of one cent each day for each dollar of the investment. For instance, a pin that cost 33 cents was marked to sell at 50 cents; if it remained in stock four months and was sold for 50 cents it paid no profit at all; if it remained in the store another month its sale at 50 cents would entail an actual loss of 6 cents.

He found that the principle applied with equal force to hosiery and furnishings. Expenses on his ribbons were piling up daily at the rate of half a cent on each dollar. In consequence, if he bought ribbon at $2 a bolt to sell at 25 cents a yard, after it had been in stock eight weeks it not only would pay no profit, but would be sold at a loss.

The cost of carrying groceries he found to be one and one-fourth cents on each dollar each day. Evidently he must sell his groceries quickly if he sold at a profit.

The daily cost of carrying toilet articles was found to be six-tenths of a cent on the dollar; laces, three-tenths; women's ready-to-wear garments, seven-tenths; shoes, four-tenths; boys' clothing, four-tenths, and hardware, four-tenths.

On each stock there was this unavoidable burden of an expense that accumulated from day to day. It was obvious that goods which were destined to remain longest in stock must bear the widest margin of profit; it was equally obvious that those goods which sold rapidly could be merchandised on a smaller mark-up with a greater net profit.

Merchandise which remained in the receiving room one day longer than necessary was sold at a disadvantage; the profit was reduced by just as much as it cost to carry those goods that day.

An investigation of the ready-to-wear stock brought to light some interesting facts. A raincoat which originally cost $2 and was marked to sell at $4 had been kept in stock eighteen months. For eighteen months the expense of carrying this garment in stock had been piling up at the rate of one and four-tenths cents a day—504 business days for a total of $7.05. Even if the coat had been sold then at the regular price of $4 there would have been a loss of $5.05; while as a matter of fact the garment had so depreciated in value by remaining in stock that it could not be sold for more than the original cost of $2.

Many retail merchants are penalized by inactive stocks, the proportion of slow-moving goods in some cases running as high as 25 per cent of the total investment in goods. It can readily be seen that the profits of the other 75 per cent must make up for the losses on these mistakes in buying.

A merchant in a little Nebraska town in taking stock the first of July, found an accumulation of brown-checked trousers in his clothing department. This particular lot of merchandise had been in stock ten years, waiting for possible purchasers. The combined prices of the various garments totaled about $100, of which at the time of marking $25 would have been gross profit. The goods by this time, however, were virtually unsalable and the compound interest alone amounted to $134.28.

In the house furnishings department of a certain store it was found that the carrying of too many hammocks, refrigerators and similar summer goods through the winter added materially to their cost, although the same goods must be sold the following season at a price but little in excess of the cost of new goods.

Another department of the same store employed more salespeople than were actually needed; the merchandise in this department had to be sold very quickly if the profits were not to be absorbed entirely by selling expense.

The law of diminishing returns begins to operate the day the goods are received; each day that goods are held adds to their cost—and in most cases they do not improve with age. Go into some stores and you will find merchandise that a glance will tell you has been held long past the profit-paying period.

Whether it rains or shines, rent must be paid. Customers may develop the habit of staying at home and sales will decrease, but the fixed expenses remain the same. Each day adds to the cost of all goods in stock, just as surely as it adds to the interest on money borrowed.

In view of these facts, anything that can be done in the way of displaying, advertising, stock arrangement or salesmanship to move goods more quickly is advisable, in that we are attacking the condition at the root.

Reasons for recommending quick turnover are easy to enumerate. Where goods move rapidly stocks are always fresh, inviting and up to date. Experienced merchants realize that appear-

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A Pleased Customer

ADD a pleased customer each day, and your business will boom.

People will not wait, willingly, for anything. Most of all they will not wait willingly for change. Nor do they want to find an error in it when they get it.

That is the first and most important reason why the BRANDT AUTOMATIC CASHIER is going to help boom your business. Your customer will get his *correct* change in the fraction of a second. He leaves your place impressed with your speed and efficiency. And that will bring him back—a permanent customer.

You press one key—the amount of the sale. The machine does the subtracting and drops the *exact change* into your hand. Nothing could be simpler. Guaranteed for ten years—lasts thirty.



Fill in the attached coupon and we will send you a booklet telling all about this little wizard of business, and a list of users in your vicinity.

BRANDT MANUFACTURING COMPANY

WATERTOWN WISCONSIN

Representatives in all principal cities

Please send booklet describing Brandt Automatic Cashier, with names of users in this vicinity.

BRANDT MFG. CO.
Watertown Wis.

ance has much to do with the salability of merchandise and that most goods deteriorate very fast. Furthermore, the public likes new things, and all other factors being equal, will naturally trade at that store which always has a stock of new goods.

There is also a considerable advantage in doing a maximum business on a minimum stock in that the risk is less; the investment is less; the insurance is less, and the tax is less.

The measure of the value of a dollar invested in the usual commodities is the number of times it turns. Safety recommends real estate, mortgages and government bonds for investment, and if the retailer's money cannot earn him a higher rate of income than is paid by these forms of investment he might better sell his stock and reinvest the proceeds.

There is a natural tendency on the part of many buyers and store managers, however, to believe that their selections of merchandise are exceptionally good and that the public must approve without the necessity of forcing sales. Common sense suggests that if the public has not bought certain articles within a reasonable time, they represent mistakes in buying; regardless of the buyer's opinion of the value of the goods, the public has turned its thumbs down.

Probably the greatest argument in favor of nationally advertised goods is that they are partly sold before they are placed in stock. Because they can be distributed more quickly, they will pay a better net profit on a smaller mark-up.

I recall the experience of a merchant who found that he was carrying fourteen brands of talcum powder to sell at 15 cents and that of these fourteen brands only six were active. Sales of the eight other brands averaged one a month for each brand.

This powder was bought in gross lots and the supply of the unsalable varieties on hand was sufficient to last almost twelve years. Considering the first cost and accumulated expense, one can imagine how big a profit would be earned by the last box.

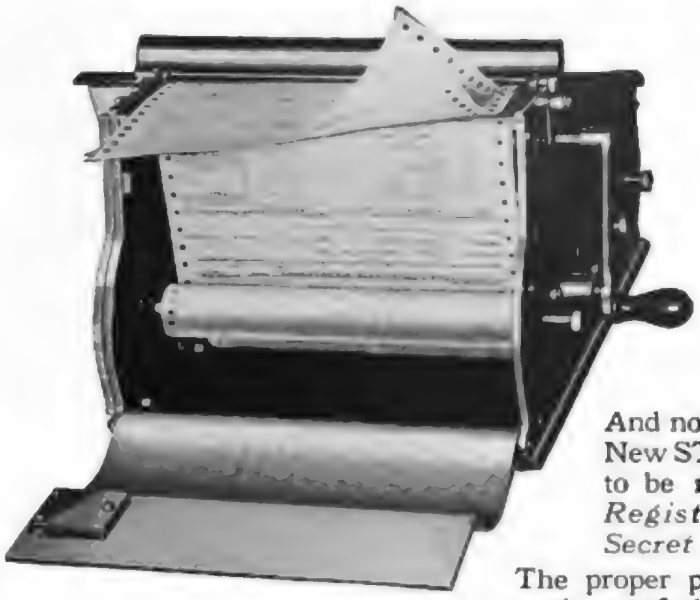
Instead of using the seasonal division in marking stocks, one progressive western merchant marks each item with a letter designating the month. For example, goods received in January would be marked with the letter A preceding the price, those in February with B, and so on.

This practice is based on the fact that many a buyer lacks the backbone to sell slow-moving merchandise at a reduction. To insure activity in all lines, this store advertises its marking code to the public and asks its customers to "Note the letter on the tag so

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THE NEW STANDARD

Two in One—a Manifolding Register with a Secret Roll



We are able to say with a feeling of just pride that, especially during recent years, Business America has shown a realization of the proven supremacy of—and, by orders which have kept us busy for months, twenty-four hours a day, have thus paid definite tribute to—

STANDARD
"Kant-Slip"
Autographic Registers

And now it is with double pride that we offer a New STANDARD—which we have first proven to be mechanically perfect as a *Manifolding Register* with the remarkable feature of a *Secret Roll.*

The proper protection of your business demands a register of this kind. And—as with any of our registers—we offer you our services in adjusting a Standard System to fit your needs. All business and most professional men will find that a Standard Register and a Standard System can save them worlds of work and worry.

The Standard has no complicated mechanism to wear and get out of order—is guaranteed for one year against defects and will be repaired at actual cost if injured in use.

SOME OF OUR CUSTOMERS:

—

Ford Motor Co.
Parke Davis & Co.
National Biscuit Co.
Detroit United Ry.
Packard Motor Car Co.
Hotel Pennsylvania
Miami Conservancy
U. S. S. Leviathan
Commonwealth Edison Co.
Goodyear T. & R. Co.
N. K. Fairbanks Co.

Standard Kant-Slip Register

Standard Autographic Registers record the original and duplicate exactly alike. They cannot do otherwise—because of our patented positive alignment feature thru the action of the tapered steel pins in the holes along the sides of the sheets.

This one feature alone makes any Standard Register worth many times its trifling cost—for there positively can be no alignment errors in records made on them.

Use the Coupon for Further Information.

The Standard Register Co.

S. R. DEPT.

DAYTON, OHIO, U. S. A.

REPRESENTATIVES
IN ALL CITIES

See the Holes Kant-Slip

THE STANDARD REGISTER CO.
S. R. Dept.
DAYTON, OHIO.

Please send us particularized description of your new S. R. Manifolding Register as announced in the new "Business" Magazine.

Name.....

Address.....

Date.....

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It Stretches From Coast to Coast

It reaches into the cities and hamlets and cross-roads. It goes where your mail goes. It's on the flaps of the envelopes that carry your mail and advertising matter.

Are you using it? Are the little "messengers of increased business" leaving your office tongue-tied, or are they telling everyone whose eye they pass under of the excellence of your product, the reliability of your house, or the value of your service?

Put your trade-mark on the envelope flap—or your slogan—or a "bird's-eye" of your plant. Let your advertisement on the envelope help your letter across. Don't put all the brains on the inside of the envelope; let the outside have its share.

You can have ***Sewell-Clapp-Envelopes*** make your envelopes do this important work.

You can have an envelope created for you that characterizes your business—one of individuality. That's how ***Sewell-Clapp-Envelopes*** will serve you. Use the coupon. See that nothing delays the possibilities for profit that it opens to you.

SEWELL-CLAPP-ENVELOPES
21 N. Desplaines St. CHICAGO, ILLINOIS

The oldest and largest Envelope Mill in America Making Business Envelopes Exclusively

If ***Sewell-Clapp-Envelopes*** can serve us, we want to know all about them. Please send us the booklets mentioned. However, this request obligates us in no way.

Name

Address

City *State*

Your copies of "Advertising Value of Business Envelopes" and "Circular Envelopes and Their Power to Produce Sales" are waiting. May we send them?

SEWELL-CLAPP-ENVELOPES CHICAGO

that you may know how long it has been in stock." All goods are marked in the receiving room by a separate group of markers, so there is no chance for deception. This policy puts it up to the buyer pretty strong; the goods he buys must move or acquire odium in the eyes of the public.

Whether or not we appreciate the fact, every tick of the clock adds to the cost of every piece of merchandise in stock. If we employ some practical plan of disposing of goods before the net profit has been entirely absorbed, our business will succeed; if not, let us realize that we are paying for this waste time in good, hard coin.

Of all losses in business, the greatest is that of lost time. To estimate the amount is clearly impossible, for the greatest part of the loss—and the part most to be deplored—arises from the fact that lost time means lost opportunities.

Keep the dollar in your business working; make every minute count. Speed up the turnover of your stock until all items of merchandise are lifters, not leaners.

Profitable Advertising—And the Other Kind

(Continued from page 20)

during the quiet months of summer.

"I want to advertise during the dull season," he told the business manager, "but I am not optimistic enough to believe that I will be able to pay the bill every month. Neither do I want to be worried by having your collector running in and poking his bill at me when I may be waiting on a customer. From June until September I don't want to pay you a cent; but I will give you a note, with interest, for the amount of space used, payable the first of January."

The business manager thought it over. It was the first time a retailer had ever made him such a proposition. Some times they used the space, to be sure, and then informally stood off payment of the bill. But here was a business-like proposition, backed up by an interest-bearing note which might be discounted at the bank if the newspaper needed the money.

"Your offer looks good to me," he told the merchant. "Go right ahead with your advertising during the dull months and I promise you that no one from this office will go into your store unless he wants to buy something."

Today, after three years of serious advertising, this southerner is distinctly the leading jeweler in his city. He is spending $5,000 a year on his publicity, but he spends it all in one newspaper.

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Your Share of This Business

(Continued from page 12)

eager to know what his selling possibilities are in women's ready-to-wear, hosiery, underwear, men's clothing, groceries, floor coverings, furniture and other lines usually carried by a general store. We have been able to ascertain the average expenditure on a great many of these lines, and although we do not try to put a complete selling plan back of all such lines as we handle, we are always glad to have merchants consult us and glad to assist them in both their advertising and sales promotion of any of the different lines in their store.

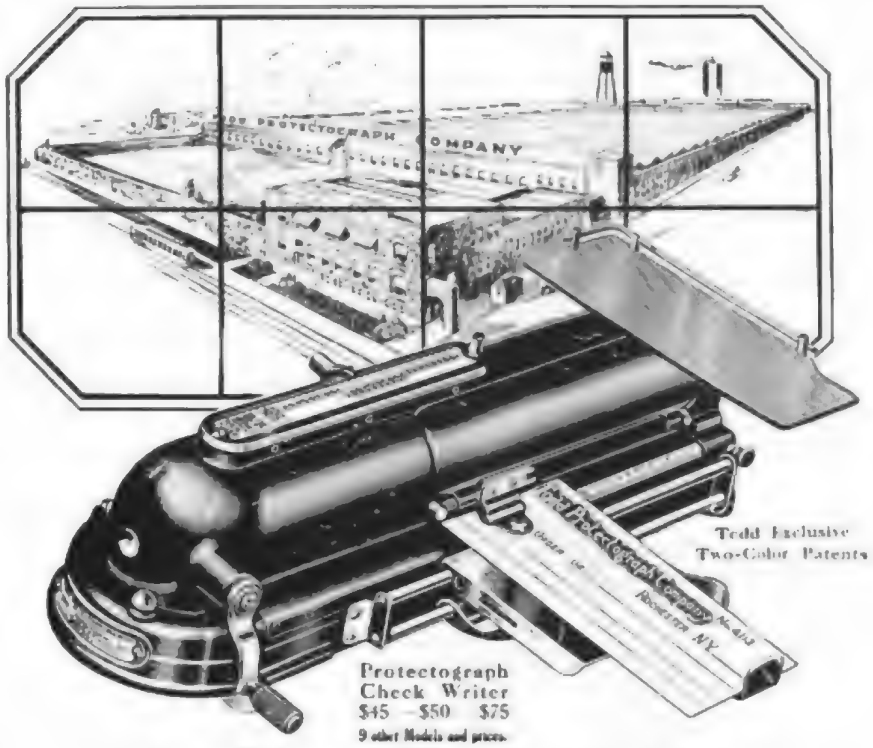
When a merchant gets an idea of his selling possibilities; when he realizes that there must be much business getting away from him—business which perhaps he never imagined was so close to his store—he is incited to go after it, rather than allow the "other fellow" to have it without a struggle. Once he is in this frame of mind he is ready to appreciate intelligent service.

For years the house of M. E. Smith & Co., Inc., had prided itself on what it considered good service. Suddenly we awoke to the fact that to have the right goods at the right prices; to fill orders quickly and correctly; to ship the goods promptly and bill them without error—these and other details did not constitute real service at all; they were merely matters of good business.

"Real service is not a thing at all; it is a spirit," said Mr. Henry P. Williams, a Chicago advertising expert, in an address before one of our traveling salesmen's conventions. "You cannot merely think 'service' and let it go at that; you have to feel it. If you succeed in doing that; if you go to the retailer in the spirit of wanting to do something for him, you can see how this will work back to you. The other day I read this sentence in some book: 'The basis of successful business is imagination about other people. The best way to train one's imagination about other people is to try different ways of being of service to them. Trying different ways of getting money out of them does not train it.'"

We decided right there to train our imaginations about the "other people" with whom we do business, the "other people" being retail merchants. How could we be of real service to them? What could we do that we were not doing, besides selling them our goods and taking their money?

The answer began to come through inquiries addressed to the advertising department, asking for help in solving



The Plant Back of Your Protectograph Check Writer

When you invest in any piece of business machinery, it's well to know what guarantee you are getting, and what stands back of the guarantee.

This four-acre plant, with a million dollars' worth of manufacturing and laboratory equipment, plus twenty years of successful experience in safeguarding the world's checks, stands back of our guarantee that

TODD
Protectograph System

provides complete protection.

This is the System backed by an iron-clad forgery insurance policy, issued under the rigid insurance laws of New York State. Todd pays the premium.

The Todd System consists of (a) PROTOD chemical-fibre, Forgery-proof checks and drafts, made to order for Todd users only, each check registered and safeguarded like Government bank notes—(b) these checks written with Todd Two-Color amount line in black and red by the Protectograph Check Writer, like this

EXACTLY FIFTY ONE DOLLARS SIX CENTS

(New "Exactly" Speed-up Dial. "Shreds" the amount in the body of the check, exact to the penny. Denominations in Black, amount words in Red.)

A famous forger has written the "inside story," telling how easily millions are stolen yearly by check swindlers from the smaller business concerns that have not as yet adopted Todd protection. Mail this coupon with your letterhead for a copy.

TODD PROTECTOGRAPH CO.

(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices. Sales and Service Branches in 100 cities throughout the World.

1179 University Avenue, Rochester, N. Y.

"*Scratcher*" The Forger

His Book

(Written in State Prison)

FREE, Please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name

(Please write business card or letterhead)

TODD PROTECTOGRAPH CO., Rochester, N. Y.

BM-10-22

Faultless Turning Post Ledger

FOR MACHINE BOOKKEEPING

Capacity 200 to 1,100 Accounts

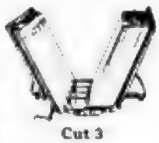
1. A thoroughly well built Posting Ledger Device. Bound Russia or Pigskin back and corners, Corduroy sides, occupies minimum vault space. Ratchet Bracket Stand adjustable, detachable and compact.


Cut 1


Cut 2

2. Adjustable Ratchets inserted. Oval milled posts turned to release sheets. Ledger expanded ready for posting—Accounts all held on right-hand side by milled posts which engage the sheets and prevent them from slipping—ample working space.

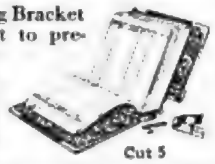
3. Part of accounts posted. Posted accounts moved to left-hand side and offset to indicate a change in balance—Milled turning posts prevent accounts slipping to center or sagging—Vertical style binder eliminates a long reach for the sheet and increases speed in posting—Extended covers protect offset sheets.


Cut 3


Cut 4

4. Bottom metal plate under oval turning posts raises sheets when in vertical position to clear milled posts so entire body of sheets can be moved in one operation to normal position.

5. With Checking Bracket inserted in front to prevent Ledger tipping forward. Front cover of ledger can be lowered to the desk which gives easy access to entire contents of Ledger.


Cut 5

No Other Machine Bookkeeping Ledgers Have These Features

Stationers Loose Leaf Co.

Chicago Milwaukee New York

different business problems. One merchant wanted to know if we would write a page advertisement for his fall opening; another wanted to get out a hand bill and had neither time nor facilities for doing it. Still another wanted to know just why he should figure profits on his selling price, rather than on the cost of the goods, and a fourth would ask further light on the question of turnover and how to figure it.

A little investigation proved conclusively that retail merchants would welcome real help; that they were able to buy all the goods they needed, but that a service that would help them sell those goods after they were on the shelves would be greatly appreciated. Thus originated our practice of analyzing the retailer's market and showing him how to cash in on his possibilities. The "big idea" behind the plan is to be of genuine help to our customers; to do something more than sell them goods, take their money and then forget them until it is time to ask for another order. In a word, we believe that our goods are not sold until they are in the hands of satisfied consumers.

Does it pay to do these things? If our volume of sales is any criterion, it certainly does. Our business in 1918 was two and one-quarter times that of 1915, and for 1919 it promises to be at least three times that of 1915.

This kind of service, of course, is not easy to give; neither is it inexpensive. In fact, it costs a lot of money, but it certainly does pay—not immediately, of course, but in the long run, as our experience has abundantly proved.

Honest Advertising

Crane's shoe store, Baltimore, was the subject of complimentary mention in a recent issue of the *Ad-Club Bulletin*, published by the Advertising Club of Baltimore. The comment is worth repeating. Here it is:

"In a Baltimore street shoe store window—Crane's to be exact—there's a splendid showing of shoes. A window card reads thus:

'Oxfords, $6, $7, $8, $9—Values. $3.50. Sizes, 5, 5½, 6 and 6½.'

"No attempt to camouflage; no endeavor to draw big-footed folks inside, using the display as a bait. Just a plain, honest-to-goodness offer, which will find a ready response from fellows with little feet."

Baltimore, says a bulletin from the Associated Advertising Clubs of the world, is one of 100 cities in which active work is now in progress, backed by local business men, to stamp fraud from advertising.

OAKLAND

The Western City of Ships

Oakland is on the continental side of San Francisco Bay—has 9½ miles of deep water frontage—is the western terminal of three transcontinental railways.

Keep in touch with the growth of this western shipbuilding and manufacturing city.

A New Map—Free

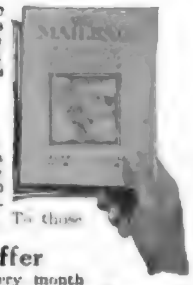
Write for a copy of a new map of Oakland, giving complete information about its opportunities and progress.

Central National Bank
OAKLAND
CALIFORNIA

Tim Thrift knows the ins and outs of direct-mail advertising. He has come in contact with it nationally for years. Under his editorship

The MAILBAG

is chock-full of practical, definite, tried-out, usable ideas on advertising and selling by mail. Read now by 10,000 business concerns and executives who find it invaluable. To those unfamiliar with it, we make a



Special $1.00 Offer

We'll send The Mailbag every month for a year and mail a copy of



The Art of Resultful Letter Writing

a brass tacks book by Robert Ruxton, a master salesman who uses the pen instead of the tongue.

Hundreds have told us this contains more pertinent truths in its 56 pages than everything they have ever read on the subject. To be sure of getting your copy, send a dollar today. Edition limited.

MAILBAG PUBLISHING COMPANY
1807 E. 40th St. Cleveland, Ohio

TRAFFIC **BE AN EXPERT!**

One concern paid $16,000,000 in one year for freight. Many pay $1,000,000 or more. Millions are wasted annually because of ignorance of cheapest ways to ship. You can be a traffic expert—stop losses—make big money for yourself.

Learn at Home—Book Free Get into this highly specialized and profitable work. Learn at home in spare time through our Actual Practice Method. Simple, easy to master. Write quick for Free Book telling about Traffic work, its opportunities, and how you can learn.

American Commerce Ass'n, Dept. 668, 226 S. Wabash, Chicago

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYIT LABORATORIES – Dept. "T"
565 W. Washington Street, CHICAGO, ILL.

Tax on Mud or Profit on Roads?

(Continued from page 9)

Charles City, 15 cents transfer at Charles 'City, and 15 cents from Charles City to Mason City. Drayage at Mason City is 8 cents more, which brings the freight and cartage from St. Ansger to Mason City up to 61 cents a bushel in shipments in less than car lots, and a minimum shipment would be $1.15 less cartage on one bushel.

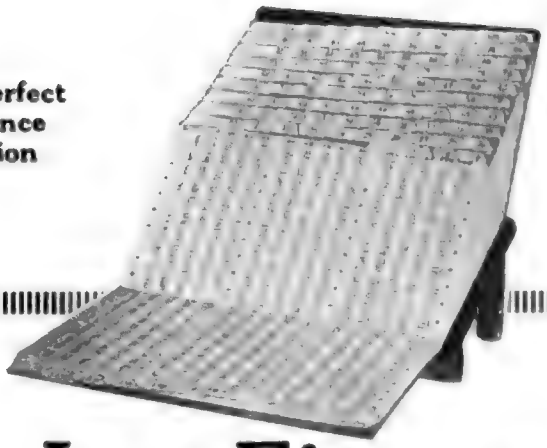
Suppose that each of these products at harvest time are the same in 1919 as in 1917. The consumer or retail merchant will give his order for potatoes that are picked up by truck at the farmer's door and laid down at the consumer's door for 15 cents a bushel, making a saving of 46 cents on a single bushel of potatoes on freight and cartage alone; in other words, potatoes would be laid down to the consumer in Mason City at $1.15 per bushel, allowing the retailer a 15 per cent profit for handling. This would give the consumer a better price by 35 cents a bushel and allow the retail merchant more than 15 per cent profit for his work, instead of less than 7 per cent which he received in 1917. In the case of cabbage as much as 600 per cent is saved to the consumer.

Some type of 365-day road is an absolute necessity to future development and expansion. Wide-awake communities are losing no time in taking full advantage of all means offered to finance road building projects. Those that delay are going to pay dearly. Their fight will be similar to the uphill battle waged by those localities that failed to grasp an opportunity to get railroads when the era of construction was at its height. The business centers of the future will be those that build arteries of transportation now.

Too much emphasis can not be placed upon the inestimable value of a network of connecting 365-day roads to any community, hamlet, village, town, city or state. A system of roads is essential to healthy business life. That is the reason that counties are planning highway systems, states have adopted certain lines of travel for special development, and even the Federal Government is considering, under the Townsend bill in the Senate, a system of national highways.

Juicy, tender, fried chicken tastes fine; but is there a more tempting morsel than that same brown springer with a world of pure cream gravy? Good roads are fine. They are the meat and drink; the substantial meal. The cream gravy is a transcontinental

Note perfect reference position



Note the linen hinged cards

Let Fingers Find the Figures!

Practically every labor-saving device of the past record-breaking decade has not only saved work but has done the work *faster!* It is so with the Meilicke Pay Roll Calculator.

This device contains the calculations of wages for any quantity of hours at rates per hour of 10c to $1.10.

Why pay high priced help for working your pay roll problems over and over every week or every month when an inexperienced clerk can do it with his fingers and a Meilicke Pay Roll Calculator? You can use your skilled clerks for more productive work and yet take care of the pay roll in less time than before.

There is now a special calculator for firms who have adopted the 44-hour week as a basis.

Any firm whose requirements call for special models may have them made to order, cheaply and quickly. Write for particulars.

Literature, describing the line of Meilicke Pay Roll Calculators adapted to the ordinary requirements, will be sent promptly on request.

MEILICKE CALCULATOR COMPANY
Dept. B
350 North Clark Street. CHICAGO

Some Meilicke *Time Savers:*

Dictaform, for correspondence and reference data. Bank Time and Interest Calculator. Savings Bank Interest Calculator. Liberty Loan Interest Calculator. Pay Roll Calculator. Piece Goods Calculator. Yard Goods Calculator. Price Checkers. Tariff Devices. Telephone Lists.

AND

Meilicke Pay Roll Calculators

Why Burroughs Does

Peoples Gas Light & Coke Co.
Chicago, Ill.

"We installed Burroughs machines to figure gas bills, an average of 30,000 a day. The machines saved us $8,640 in salaries the first year and I do not recall a single complaint of wrong deductions. The machines have exceeded our expectations."

Converse & Co.
Wholesale Dry Goods, New York City

"We get out balances much earlier, know the status of each account at any time, have a neater and more legible sheet with a great deal less mental worry and no doubt as to how it is coming out when it is time to balance."

Hubbard Milling Co.
Mankato, Minn.

"We are using the Burroughs for all our general ledger and sales ledger posting and we figure we are saving approximately one-half the time formerly required to do this work. We are also using it for all statement work. The statements are going out on time and with much less grief to our accounting department."

Champion Spark Plug Co.
Toledo, Ohio

"We consider bookkeeping by the Burroughs method the only real economical basis for handling records on a large scale. Our figure work now is done at less than half the cost with hand methods."

Doherty Hardware Co.
Baton Rouge, La.

"Eight years ago we bought a Burroughs and since that time I have known to a penny just how my business stood. We keep our ledgers posted and proved right up to the minute and get a daily balance on each account. To my mind this is perfection in bookkeeping."

Potts & Kauffman
Wholesale Grocers, Perth Amboy, N. J.

"Since we installed the Burroughs Ledger Posting and Statement Machine we know our ledgers are correct. They are neat and legible. Postings are proved absolutely every day. Our trial balance troubles are a thing of the past."

Kimbrough Hardware Co.
Muncie, Ind.

"It would be next to impossible to run our office without a Burroughs."

Crescent Coal Company
Oskaloosa, Ia.

"We find that everything connected with the making of our pay rolls can be done quicker, easier and better with the machine than it can be done by hand. The saving will amount to about 50 per cent."

Seneca Camera Company
Rochester, N. Y.

"If we had our business to live over again we would install the Burroughs system many years earlier."

J. A. Robblee & Co.
Bicycles **Tacoma, Wash.**

"We have been using the Burroughs Bookkeeping system for about six months. We are so pleased to have found a system by which we know at all times where our business stands that if it should cost double the amount it does, we would have it."

Burroughs Accuracy Pays

THE endorsements on these two pages show just how important adding, bookkeeping and calculating machines are in business today.

In every one of these concerns the principle of figure accuracy long ago was recognized as one cornerstone necessary to sound business building, and every one of them has secured that accuracy through a means open to you—the installation of the proper Burroughs machine for the work to be done.

No matter what line of business you are in—whether it be retail, wholesale, manufacturing or any other line, or whether it be large or small—you must have essential figure facts to conduct that business profitably.

Standard Oil Co.
Cincinnati, Ohio

"We have found that the installing of the Burroughs has revolutionized our ledger work and has enabled us to send out our statements seven or eight days earlier than formerly."

Emerson & Morgan
Coal Dealers **Baltimore, Md.**

"We find use for our Burroughs every moment in the day in our billing work, rendering of statements, checking and proving postings, proving cash balances, taking off trial balances and general recapitulation of our monthly hauling account."

Rubberset Company
Newark, N. J.

"Our Burroughs saves fifty per cent of the bookkeepers' time, eliminates errors and produces a neatly printed ledger page for each customer's account."

H. G. Schneider
Retail Groceries **El Paso, Texas**

"Last January 1, I installed a Burroughs Bookkeeping Machine and find its work far superior to the old system of hand posting. The saving in time is in itself an item worth the expenditure and besides I can always be sure that my books are correct."

Adding—Bookkeeping—Calculating Machines

Burroughs

Their Figure Work

Porcupine Market
Meats **Billings, Montana**

"We use the Burroughs to save our time and money and because we can depend on it."

Amos-James Grocery Company
St. Louis, Mo.

"The Burroughs machines made it possible to catch up with twenty days' back posting and to get out trial balance early in the month. Now our accounts are balanced each day and our trial balance is a certainty."

Rodney-Wilcox Dept. Store
Cohoes, N. Y.

"It would be very difficult for us to get the essential facts about our business without the aid of the Burroughs."

Hollinger & Larimer
Clothiers **Charlton, Ia.**

"We know by experience that one bookkeeper with the aid of a Burroughs does the work that otherwise would require two bookkeepers. The machine has paid for itself and much more each year we have had it."

in Every Line of Business

It would be a big job to get those facts, and get them accurately, if it were not for machine methods of figuring.

Burroughs machines fall into three great classes—adding, bookkeeping and calculating—a machine for every figure job. Why not let a Burroughs man help you select the machine best suited to your own particular needs? He can help you to attain the same satisfactory results as those concerns whose names appear on these two pages.

Consult your banker or telephone book for the nearest of the 213 Burroughs offices throughout the United States and Canada, or write direct to the home office at Detroit.

Vaughan & Marcy
Jewelers **Greenville, S. C.**

"Conservatively speaking, our Burroughs saves over fifty per cent of the time on figure work. It is worth its price at inventory time alone."

Monypeny-Hammond Co.
Wholesale Grocers **Columbus, O.**

"The Burroughs machine saves each of our two bookkeepers at least ten days each month—time that used to be spent in hunting for errors, figuring and extending balances, and numerous other operations which the Burroughs has eliminated entirely."

Baker, Murray & Imbrie
Sporting Goods **New York City**

"We are convinced that mechanical posting is the solution for bookkeeping problems and we gladly recommend the Burroughs Ledger Posting Machine to all business men."

Molony & Carter Company
Charleston, S. C.

"We heartily believe in 'rendering to Caesar the things that are Caesar's', and if anyone is in doubt about the great value of Burroughs machines we will be only too glad to have him visit our office and see what Burroughs machines have done for us."

Good & Reese Co.
Florists **Springfield, Ohio**

"We have cut expenses in our bookkeeping department enough during the last year to more than pay for the Burroughs. We haven't found a mistake in our accounts since adopting the Burroughs ledger posting system."

Jones-Brewster Company
Commission Merchants
Houston, Texas

"We find the Burroughs a great time and labor saver in figuring account sales, making out bank deposit slips, petty cash disbursements and payments on account, footing columns in the ledger, proving cash and taking the trial balance. For figuring account sales alone it is easily worth its price, because this work would take three times as long if done by hand."

The VanDusen-Harrington Co.
Minneapolis, Minn.

"With the Burroughs we keep our ledgers in perfect balance. Any detail of our grain commission business can be told at a glance. Our monthly statements made with the machine are mailed on the first of the month. This is a feat we were never able to accomplish with hand-made statements."

Wright & Company
Wholesalers **Miami, Fla.**

"Burroughs machines have furnished us a saving in time so that we were able to cut down our office force during the busiest season. Our bookkeeper is able to attend to all the shipping besides taking care of his work. The volume of business the first month after our shipping clerk left was the largest in our history, yet the bookkeeper handled it easily."

J. J. Castellini
Wholesale Produce **Cincinnati, Ohio**

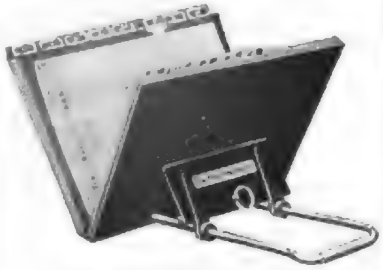
"We cannot praise Burroughs machines too highly. We recommend to both small and large businesses the Burroughs equipment."

Rochester Electrical Supply Co.
Rochester, N. Y.

"If at any future time increase in business demands further enlargement of our accounting methods, we will certainly install no other than Burroughs equipment."

Adding—Bookkeeping—Calculating Machines

Burroughs



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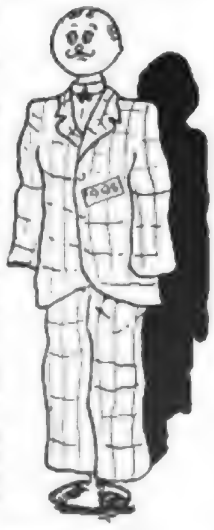
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The package will be mailed to you under second class postage *and the letter that accompanies it will go first class.*

Both will start *together,* reach you *together.* Because the letter will be affixed to the package by the

Shuman Mailing Attachment

In the package will be one of the attachments (as a sample) and a booklet explaining the simple operation that

saves time; increases sales; reduces waste; speeds up clerical help!

The cost of the Shuman Mailing Attachment is trivial compared with the results that you'll get. Now used by many firms that endorse it enthusiastically.

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THE FRANK G. SHUMAN COMPANY
Mfrs. of Labels, Boxes, Paper Specialties
168 No. Michigan Ave. Chicago, Ill.

Tax on Mud or Profits on Roads?

(Continued from page 31)

marked highway, connecting communities for thousands upon thousands of miles. It brings the tourist with his expenditure of $1.25 an hour. It is worth more to a community than the ordinary railroad. It brings from a distance potential investors and home-seekers. It makes neighborhoods of states at distant ends of the country. It is the thin string that binds Louisiana to Minnesota.

The ordinary motorist is lost when he gets fifty miles or a hundred miles from home. If he can follow the pole marks or steel signs and glance occasionally at a road log published by the highway association, he is always at ease and "at home," although he may be thousands of miles from his screened veranda. He may not know of your fine system of roads. He will surely find it if the marked highway passes over them. If he started out to follow the directions given him at each town and cross-roads, he would spend a lifetime going from starting point to destination. But with plainly-marked and properly-charted trails he may travel from north to south, east to west, and 'round about, following the constant beck of the same invisible hand.

Suppose that a thousand tourists stop in your city during the year, each spending a night there. Do you know that experience shows that each one leaves with you not less than $5, and that the usual average is nearer $10? It is all new money, too.

And remember this: tourist travel is increasing each year. Senator T. E. Cashman, of Owatonna, Minnesota, recently purchased a farm on a great national highway, paying $50 an acre more than he would have had to pay for a place just as good in every other respect, but two miles off the trunk line.

"Tourists pass our place from every state in the Union," he testified, "as well as portions of Canada. During August and September a car a minute is not uncommon during several hours of the day."

Senator Cashman maintains a "show window" along the highway. Pure-bred Hereford cattle and high-grade nursery stock are displayed in his open-air "silent salesman." He is only one of scores of farmers who are utilizing national trails as advertising mediums. D. M. Gregg, a pure-bred Shorthorn cattle breeder of Harrisonville, Missouri, dresses his "show window" with green grass, white barns and glossy red and white animals.

"Since the Jefferson Highway has been marked by my door," declared Mr. Gregg, "sixty per cent of my sales can be traced directly or indirectly to my show window. Men touring by stop to see the herd. They come from many states.

"One of the things which has amazed me," he said, "is the number of well-to-do farmers who tour with their families for a vacation. Kansas, Iowa and Nebraska are all neighbors of Missouri, and it is said their inhabitants could all go motoring at once, so thickly have the automobiles become. Farmers from Minnesota, Dakotas and Canada have also visited me. I can see in the improvement of roads, the marking of highways and wide use of automobiles, a better distribution of good animals."

While the following may seem to be a bit extraordinary, it emphasizes the fact that well-marked, well-established, well-organized highways have a very healthy influence on land values. Herbert L. Leathers, of Hope Villa, Louisiana, having bought a place on the so-called model road, fourteen miles southeast of Baton Rouge, and having paid $22.50 an acre for 40 acres, a total cost of $900, was offered $2,000 immediately after the road was graveled. He refused this offer. Since the Jefferson Highway has been established between New Orleans and Winnipeg, he states that the land in that section, on the International Highway, has increased greatly in value. Last spring he was offered $3,200 for the same forty acres for which he paid $900.

Nothing so much as good roads has brought to the farmer and the merchant the vital knowledge that each without the other was handicapped. The ordinary farmer has as much capital invested as his friend, the merchant. They are both in business.

Roads to each are very necessary. They need them because they are an essential part of their business. But why not, while building roads for the direct benefit that can so easily be seen, take advantage of the "gravy" that comes with a good national highway? The hundreds of communities that are thereby linked together all get goodly shares of a business that "just comes."

Mr. Business Builder, look to the indirect as well as the direct return on the most valuable investment on the market today—365-day roads.

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Pioneers on uncharted seas—

Far back in the old days, when you were a little codger at school, how you thrilled at the story of Columbus!

How he sailed straight into the horizon, when every one said the world was flat! How his men feared they would come eventually to the edge and drop off! How one fine day came the gladsome shout of—*"Land! Land!"*

Fundamentally—the story of Columbus is the story of every successful business. Always there was some pioneer—some man with a vision—some discoverer:—some one who charted the course for generations to follow.

Years ago, scientific filing was little more than an undiscovered country. Letters, reports, memos were filed flat or on hooks. But as business grew, there came the need for more system. And out of that need grew Library Bureau.

So it was that Library Bureau originated vertical filing—the card record system—the card record desk—counter-hight units—the L. B. Automatic index—and practically all the filing methods that are accepted as standard the world over.

L. B. is today the world's largest manufacturer of card record and filing equipment. Its forty-three years experience will keep you off the rocks and shoals and insure safe passage through all your filing difficulties. ***Write for booklet #738 WO-P.***

Library Bureau

Card and filing systems — **Filing cabinets wood and steel**

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Albany, 51 State street
Atlanta, 102 N. Pryor street
Baltimore, 14 Light street
Birmingham, 2205-6 Jefferson County Bank bldg
Bridgeport, 949 Main street
Buffalo, 120-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.

New York
316 Broadway

Des Moines, 202 Hubbell bldg.
Detroit, 409 Majestic bldg
Fall River, 29 Bedford street
Hartford, 28 Pearl street
Houston, 708 Main street
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg
Milwaukee, 620 Caswell Block
Minneapolis, 42s Second avenue, South
New Orleans, 512 Camp street

Philadelphia
910 Chestnut street

Newark, N. J., 31 Clinton street
Pittsburgh, 637-639 Oliver bldg.
Providence, 29 Westminster street
Richmond, 1223-24 Mutual bldg.
St. Louis, 223 Boatmen's Bank bldg.
St. Paul, 116 Endicott arcade
Scranton, 405 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 405 Hollaye bldg.
Toledo, 620 Spitzer bldg.

Chicago
6 N. Michigan ave.

Washington, 743 15th street, N. W.
Worcester, 716 State Mutual bldg.

Distributors

San Francisco, F. W. Wentworth & Co., 570 Market street
Los Angeles, McKee & Hughes, 440 Pacific Electric bldg.
Dallas, Parker Bros., 119 Field street

FOREIGN OFFICES——London Manchester Birmingham Cardiff Glasgow Paris

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'Twould be hard to reckon the millions of dollars that this little machine is *saving* for American business. Always a quick and economical way of duplicating all kinds of typewritten letters and forms! But with the arrival of the new Dermatype stencil—"a thin sheet of dark-blue paper"—the Mimeograph becomes tremendously more useful. *It does finer work.* And, as the new stencil is practically indestructible, it does quicker work—and cheaper. Also it easily prints maps, plans, designs and the like—opening new possibilities for development. In thousands of American industries the Mimeograph is now effecting essential economies. Cogitate! At this crucial time don't you think it worth while to investigate what it can do for you and your business? All information—and catalog "B"—from A. B. Dick Company, Chicago—and New York.

EDISON-DICK MIMEOGRAPH

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BUSINESS



Burroughs Adding Machine Company

Detroit, Michigan

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SPEED

IN THE motion pictures, we have countless moves made with lightning-like rapidity, each move having a purpose in the unfolding of the story.

In mechanical accounting, every move of the operator of the bookkeeping machine, when using Kalamazoo Loose Leaf Equipment, registers purpose. Every move is perfectly natural and easy, due to the principle embodied in the construction of the Kalamazoo System.

Note the simplicity of preparing the ledger for posting. Particularly notice the continuous motion, which gives greater speed in posting. The sheet to be posted is selected easily, as each sheet is a trifle higher than the succeeding one. Lifting the sheet into the machine; posting it; and returning to the binder; offsetting it, when desired, for ready proof—is all accomplished with the fewest possible movements, each one following naturally after the other.

Five years, with thousands in use, have shown that Kalamazoo is invariably selected where speed and efficiency are desired, for it works smoothly every day, under the most trying conditions, due to its simplicity of operation.

To the business man who is considering mechanical accounting we extend an invitation to see "Kalamazoo" in operation.

The Style "C" System is but one of the aids to modern accounting bearing the "Kalamazoo" trademark. Every loose leaf requirement can be effectively filled by some one device of this comprehensive line.



A line today will bring you a list of users in your vicinity.

Kalamazoo Loose Leaf Binder Company
Kalamazoo, Michigan

SERVICE SALES OFFICES EVERYWHERE

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BUSINESS

Vol 1, No. 2 November, 1919

Lucien Kellogg, Editor D. B. Kirk, Business Manager

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Those Were the Happy Days!

On the wall in John C. Bowden's meat market in Philadelphia hangs the photograph from which this picture is reproduced.

"A relic of the 70's, or maybe the 80's," you say. No, indeed, this picture was taken as recently as October, 1912—only seven years ago.

Think of it—good tender steak—for that's the promise on the painted sign—at 12½ cents a pound. And Hamburg steak at 10 cents!

But that's not all. Suspended from meat hooks, fore and mutton attract the housewife's eye. On each mutton is a little placard, and on each placard is the four figure 9. Can it be that mutton once sold for 9 cents a pound?

If you don't care for good tender steak, Hamburg steak, or mutton there's ham at 10 cents; chicken at 12½ cents, soup beef at 7 cents.

And sausage, too, fragrant of sage, embodying the noblest purpose of the fattest shoat and the proudest steer. Never was there such complete sausage—and at 12½ cents a pound!

Those were the happy days, days when a famished man might pay his plate high with Hamburg steak, fresh sausage or even Philadelphia scrapple, without being called a spendthrift by neighbors who acted as the art of living.

Wanted–Certified Products

By THOMAS H. UZZELL

Our Uncle Samuel has a problem on his hands.

From manufacturers of high-grade goods comes the plea that they should have government recognition of the quality of their product. From retailers comes another plea based on this same issue of quality. What the retailer wants is knowledge; he wants to know something definite about the quality of the soaps and frying pans, the watches, clothing, and eggbeaters which he offers to the public.

What's the answer? Here is the whole story of what the government is asked to do and of what is proposed as a method of doing it.—Editor.

CONSIDER THE GREAT American business comedy of "The Sock With The Split Heel." The textile experts and foremen of the machines that knit this sock in the big mill exhaust their skill in an effort to make it so that the reinforced weave of the heel will hold fast. The machines are started. Out come the socks, half a million of them. They are then sold to a hundred jobbers as Grade A, Seamless.

The hundred jobbers sell as grade A, Seamless to five thousand retail merchants. The five thousand merchants sell to one hundred thousand consumers, still as Grade A, Seamless. The hundred thousand consumers pull on the socks, and within from two to five days—"there, look at that!"—the busted heels begin to appear.

Result: one hundred thousand disgruntled sock users; hundreds of dollars wasted; numberless retail reputations ruined, their patronage lost; and scores of complaints lodged at sock counters all over the country. Says the retail man, an excellent fellow in every way: "I bought these for the the best, I paid a top price, I have jobber's word for quality."

Whereupon the retailer passes the buck to the jobber. Says the jobber, an excellent fellow: "I asked the mill for their best, I paid a fancy price."

Whereupon the buck is passed to the mill, and finally the textile expert and foreman get it. Say these gentlemen, all excellent fellows: "We worked three months over the designs, chose the best yarns, adjusted our machinery carefully. What more can we do?"

This story, which could be reproduced every day with a thousand articles of retail trade, I call a comedy instead of a tragedy, because the remedy for the difficulty is so obvious and we, the most ingenious race on earth, serenely refuse to apply it. Manufacturer, jobber, retailer are all honest gentlemen; each does his best; yet—an epidemic of uncovered heels is let loose upon the unsuspecting body politic!

Now your Uncle Samuel, who hates bare heels and low-grade goods of all kinds—as was demonstrated during the late unpleasantness with a certain section of Europe—has been asked repeatedly by both retailers and manufacturers to help them raise a new standard in favor of an accurate grading of manufactured goods. Government specialists accordingly have considered the matter thoroughly. Their opinion as to this unhappy story about "The Sock With The Split Heel" is something like this:

The critical moment is when the textile expert designs his heel. It is then that practically all the factors of durability are determined. In the interest of the hundred thousand ultimate sock-wearers the designer should be certain that the article he is going to produce finally will be actually "Grade A, Seamless."

It is easy to make a seamless sock, but it requires care and expense to make one that is Grade A. "Seamless" means a special method of weaving, but "Grade A" implies long-wearing quality.

There are two ways to test wearing quality, which with these socks means that the double weave of the heel will not part from the single weave of the rest of the sock when put to use inside a shoe. One way is to shoot them out and take a chance with one hundred thousand users; the other is to submit samples to the scientific wearing tests of a laboratory before manufacturing.

Now one chief trouble with wearing tests, some manufacturers argue, is that they take too much time. If a market is waiting, the raw material at hand and the machines tuned up, a big money loss would be involved in waiting days, perhaps, while the office force wear out samples of the firm's hose! But the government understands this objection and it has a solution, a scientific solution — accelerated wearing tests devised in its textile laboratories in the Bureau of Standards at Washington.

It makes use of scientific tests which can be applied in a short time and which will represent as nearly as possible the conditions of actual wear. Instead of a three-day wearing test the laboratory substitutes machine tests of a few hours.

Let us say, then, that the mill, before starting its machines, sends samples to the laboratories of the Bureau of Standards. There the socks may be submitted to scientifically devised chemical and physical tests, as a result of which the elusive defect is located. The bureau and the mill get together on the problem. When the defect is located, if it is serious, the



Examining textile samples with microscope

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foreman may be sent to Washington or a government textile expert may be sent to the mill. The maker modifies his designs and has the prescribed tests repeated until a bona fide Grade A, Seamless sock is turned out.

Whereupon the mill receives a certificate of quality from the Bureau of Standards, Department of Commerce, U. S. A.

With this document in his possession the foreman now gives the word and one hundred thousand socks are produced which make good on the label they bear when sent out to jobbers, retailers and consumers. When the jobber buys, he asks: "Are these socks government certified?" The retailer, when he buys, asks the same question. The consumer—well, he may and he may not look for the "U. S. A." on his socks; but, you see, if the maker, jobber and especially the retailer have done so, his welfare in this respect will already have been provided for.

Now this is the plan; it is not yet a reality. The Bureau of Standards is not yet empowered to make the tests I have described. But a bill to give it this power and authority to issue certificates of quality has been introduced at the present session of Congress by Senator Fletcher of Florida. The number of this bill is S.2635. Few bills before Congress are more important to either manufacturers or retailers than this one.

Secretary William C. Redfield, who has received repeated requests for a consideration of this plan from men experienced in domestic and foreign trade and in large financial operations, has this to say about it: "It is not intended that certification should be compulsory. The whole matter should be voluntary action on the part of manufacturers. When, however, a certificate has once been issued, the standard of all goods bearing the certification must be kept up to the standard certified, with heavy penalties for violation. It seems only necessary, in order to bring this about, to have legislative authorization for the bureau to issue such certificates with a penalty clause dealing with the improper use of them.

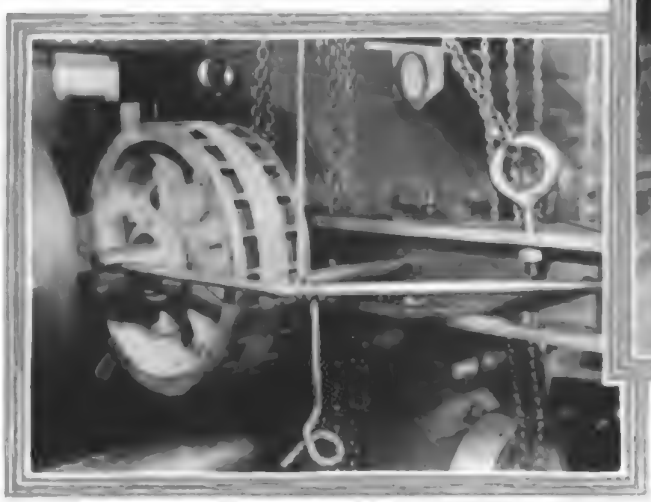
"Something of this nature has already been done in connection with export trade, and there is a measure of analogy in existing pure food legislation. The present proposal, however, is not a police measure, but, on the contrary, a facility offered by the government to those who choose to use it without any compulsion whatever."

Said one of the executive officers of the Bureau of Standards to me: "The government maintains the grade of our money—why not of the things this money buys? Almost the only standards in the retail world today are those created by large, high-class firms who put their standards into circulation mainly by extensive advertising. But a government goods standard would not have to depend upon advertising for its prestige any more than does a silver dollar. It would be authentic because it would be unprejudiced, impartial, scientific. And it would be available to an entire trade practically free of cost.

"The entire retail trade today well knows that without such legally protected standards for its goods it is obliged to endure incalculable confusion and losses. As things are at present, the retailer is in the hands of the manufacturer. The new dispensation would deliver him and help the manufacturer at the same time. Its benefits would reach beyond our own shores. Foreign buyers could know that the power of the United States government is behind goods bearing U. S. A. certificates and as a consequence would buy from us far more freely. Thus, in a single bound, we could be put in a commanding moral position in world trade."

There are certain retailers who believe that a pure goods law cannot be made effective because it will be impossible to tell exactly what the manufacturer is putting into his goods if the manufacturer wishes to practice deceit, and that the best way is to appeal to the manufacturer to assume responsibility for quality himself, take the trade into his confidence and create and maintain his own standards. This stand has been taken by the National Association of Retail Clothiers with regard to woolen fabrics. "Only the manufacturer himself," it declares, "can tell how many times the shoddy in a given fabric has been reworked."

Well, the trouble with that point of view is this: retailers are prone to underestimate the limitless possibilities of the scientific method. Nothing of importance can be long concealed from the probing instruments of the laboratory. It may be that the number of times shoddy is reworked is not the most important thing to know. Some manufacturers may be able to do more with shoddy than others. Genuine, universally applicable grades of quality in woolen goods are yet to be worked out. Leave it to science.





Above, testing a great steel cable chain with a 500,000-pound testing machine. Left, testing a motor truck wheel for resistance to side thrust

Another difficulty with leaving the question of quality to the manufacturer is that a large part of the present uncertainty, under such a system, would still remain: the manufacturer at times might not be able to resist the temptation to drop below his own standard; or perhaps his standards might differ from those of another producer; or large fees for grading might be resented by still other mill owners. All of which makes for chaos.

Some manufacturers seem to feel that the plan proposed by S. 2635 is a piece of theory only, that it is impracticable. The answer to this is that the plan is already working. It is

being followed in connection with the government's own purchases.

Most of the purchases for the government departments at Washington are made under contract, negotiated by the General Supply Committee in the Treasury Department. This committee is the official bargain hunter for a government which now spends for all purposes several billions a year. It prepares a sort of white list of sellers of goods which it certifies to the different bureaus. The bureaus are required by statute to buy from the firms named in this "General Schedule of Supplies."

In the case of certain goods, the grading of which is a complex matter, the General Supply Committee submits "specifications" to the Bureau of Standards. The bureau determines, first, whether the specifications are technically possible standards; second, whether goods made in accordance with such specifications should be demanded, that is, whether they could be sold at a profit.





Above, gas assaying apparatus in laboratory on steel mill near Pittsburgh. Right, United States customs officials analyzing textiles

The Bureau of Standards and the General Supply Committee consult at times both the technical men and the salesmen of a given industry. When the Supply Committee, the Bureau of Standards, the technical men and salesmen all agree, the bureau draws up its official description of "standard grades." These grades are printed into the General Supply Committee's schedules and are followed by government buyers.

This process has been carried out in an exhaustive way in two lines of goods—electric lamps and cement. Cement standards were worked out with the co-operation of the American Society for Testing Materials. All the leading manufacturers of these two commodities are now using as their standards those prepared with the government's help. Lest you think that the government's standards are placed high beyond the reach of mortal manufacturer, please note that the bureau was asked by the trade itself to raise the standards set for some of the above commodities!

The result of standardizing grades in these trades has been to eliminate confusion and satisfy thousands of purchasers.

Nor is this all. Distributors as well as manufacturers, without waiting for the passage of this new bill, are coming to appreciate the value of a more exact knowledge of the pedigree of the goods they handle and are already asking the bureau's assistance. They are sending in goods of all kinds for performance tests. This service is rendered by the bureau for a nominal fee when the test is one that could not be made by a private laboratory and when it promises to produce information of use to the industry or trade in general.

In the textile department of the bureau, recently, I found the experts testing samples of satin for a large wholesale house of New York. Four samples were undergoing wearing tests in a machine, planned by a bureau scientist during the war to determine the durability of uniform fabrics. The preliminary methods of testing were being studied, various conditions of weight, tension, speed, and time being tried out to devise a fair system. The department is not yet ready to give out its conclusions, as the method is being constantly improved.

A set of typewriter ribbons was also being subjected to merciless defect-revealing tests. They were used in a glass-covered typewriter to determine their type-filling faults. Their writing was being soaked in water, blazed upon by mercury arcs, chemically analyzed. The ink was taken from the ribbon with chloroform and the fabric was subjected to a thread count under a microscope, a strength test by a breaking load, a measurement for width and again a questioning with a microscope to determine whether the selvages were woven or only glued.

These ribbon texts were performed for the navy, and, as a result, the United States Navy probably is the most intelligent buyer and user of typewriter ribbons in the country.

All of which is merely a preliminary to a real beginning. The bureau is modest. It insists that these problems which would be handed it by the passage of S. 2635 would be anything but simple ones. One of its division chiefs told me that an equipment equal to the bureau's entire twenty-one buildings would be needed to handle all the work connected with making complete tests of the commodities of one industry alone!

How expensive the initial investment for really thorough and profitable tests may be, you can gather from the fact that the bureau finds that to be quite certain of the accuracy of its grading of woolen and cotton goods it must be able to make its own fabrics. By making a uniform weave and altering the thread count, then keeping the thread count constant and altering the weave, it can penetrate much further into the mysteries of durability, texture and beauty of the goods we wear. It is therefore now setting up model woolen and cotton mills of its own. These mills are just large enough for experimental purposes.

The greatest sign of encouragement in this whole business of putting responsibility for quality where it belongs—upon the manufacturer—is the nature and volume of requests coming to the Bureau of Standards from manufacturers themselves. These requests show a genuine eagerness about better methods, an awakened faith in the possibilities of science.

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Do They Know Your Goods?

By ERNEST S. JAROS

I KNOW a man who had been in the silk business for forty years, working his way up from stock-boy to department manager, and yet he couldn't explain the difference between crepe de Chine and Georgette crepe.

He could identify them, of course, but he didn't understand them well enough to describe their characteristic differences.

Yet it took only five minutes' time and a thirty-five cent "linen glass" to make clear to him these differences.

Now if this department manager, who had been in the business for forty years, didn't know the difference between two of the "best sellers" in his department, what can be expected of green salespeople?

The keynote of the selling problem, as I see it, is not "approach" or "how to judge the customer's character" or "words to use in closing a sale." These may help, but the big thing is knowledge of the merchandise.

A customer interested is half sold. A customer informed will stay sold, and will often be proud to show his friends what he knows about the thing he bought.

The customer will be as much interested as the salesperson in how the article is made; what's good about it, and why; what service it will give; features of style or appearance that are interesting; features of use or service that will arouse the customer's confidence in it.

> *"Some time manufacturers are going to wake up and get some of the finest kind of publicity and 'dealer help' free of charge, and the joke of it is, the stores will thank them for it!"*

In the early days of the Palm Beach suit—not so many years ago—a salesman was trying to sell one to a rather peppery gentleman, not very well impressed with it.

"It isn't wool, is it?" snapped the possible purchaser.

"No, sir," admitted the salesman. "It's got cotton in it."

"Well, I don't want a cotton suit!"

"But it's a dandy suit, and it'll wear fine."

"Nonsense! A cotton suit can't be any good." And the scarcely-possible-customer started to put on his coat.

Fortunately the department manager happened to be within sight, and a question to the salesman showed him the trouble. It took the department manager but a few moments to explain that the suit was made of cotton and mohair; that mohair comes from a goat just as wool comes from the sheep, but it is straight and lustrous, instead of curly.

The customer was interested. He was interested in the suit, and he listened with confidence, because the department manager knew what he was talking about.

The sale was finally made—but that is not the important result of the occurrence. The incident led to a meeting of all the salespeople, at which some of the suits were examined, and a microscope, in competent hands, disclosed the precise structure of the cotton, the wool and the mohair fiber.

In another department the salespeople had heard a talk, illustrated with lantern slides, showing the chief features of the styles in women's garments of various periods, often consulted by designers for inspiration and suggestion.

The department manager came up while a customer he knew was trying on a coat.

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"That's one of the Directoire styles," said the department manager, "with the comfortable big collar and lapels they borrowed from men's coats at that time."

"Yes," responded the customer with a smile, "the salesgirl was just telling me about it." The unconscious team-work strengthened the customer's confidence in the saleswoman, besides increasing her interest in the coat.

On the other hand, many a piece of merchandise is sold that refuses to stay sold.

For instance, a man buys a hat. It has a pencil-curl brim, and he has never worn one of that shape before. However, he likes its looks, and the enthusiasm of the salesman helps him decide to buy it.

Next day he is back with the hat.

"Don't want it," he explains.

What has happened?

Probably his wife, or his sister or his son has said it doesn't look well on him. His enthusiasm has evaporated. The salesman is not there to argue. So he decides that the hat isn't as good as he thought it was, and back he comes with it.

Let us suppose that the same salesman had known hat styles, and had explained them, instead of talking generalities about how well it looked on him, and how good it was at the price.

Suppose the salesman had explained that the pencil curl was a new departure in hat-brims that made a flat brim more graceful; that it was so new that most people were not used to it, but the man who bought one now would be in style for some time to come—and so on.

Then, when the customer showed his family the hat, he could pass on what he had learned, and he would "sell" the hat to his family.

Many a return may be traced to such a cause—the customer was satisfied at the time, but was not given reasons with which he could satisfy others, who might easily spoil the whole sale.

"This is a pretty bag," remarked a woman in a department store.

"Yes, ma'am," agreed the girl behind the counter, "it's patent leather."

The bag was bought, and a few days later the same customer appeared, highly indignant.

"My husband says this isn't leather at all," she exclaimed, "and now I can see that it's nothing but oil-cloth!"

Now the fault was not with the bag, for it was cheaper than leather, and would not have cracked like patent leather. The customer was aroused by feeling cheated. Had she known the facts, either the question would never have arisen at home, or else she would have been able to explain to her husband.

The merchant of today realizes how important it is that salespeople know their goods. In the first place, it helps them do a better job; in the second place, it makes them more interested in their jobs.

Most salespeople think of their daily work as selling "this-or-that" for "so-much." They must trade up customers if they can; they must be courteous toward the customer and honest with the firm. Sometimes, of course, enthusiasm may be raised several degrees by the hope of a "P. M.", but this does not increase the knowledge that makes the sales that help the store.

Now, "this-or-that" is more than a dead piece of matter with a price-tag on it.



COURTESY THE GRAPHIC INSTRUCTOR, DRY GOODS ECONOMIST

"The fruit of this enthusiasm is more and better sales."

It is the cunning product of clever brains. It has a history. It is the child of Idea and Skill.

Give the salespeople some of this knowledge, and you find that indifference blossoms into enthusiasm. Better still, the fruit of this enthusiasm is more and better sales.

I have spoken of the useful little "linen glass." Opticians sell them for 35 cents to 50 cents, and it is easy for all the departments of any store to have at least one such magnifying glass, kept in an accessible place.

The little lens will open the door to a fresh interest and a new knowledge. It reveals the cunning combinations of a gingham weave; it gives a chance to count and compare the threads-to-the-inch in two pieces of cloth and thus judge quality; it often uncovers the loading of clay or chalk in an apparently heavy piece of cotton goods; and with it one can get a "close-up" and really know the weaves of various fabrics.

I would like to emphasize the value of using a linen glass frequently, and encouraging its use, for most stores seem quite unfamiliar with it. I always carry one in my pocket; it is as much a part of my personal equipment as my keys, knife, and match-box, and in our organization has become a familiar object and a source of information often appealed to.

While other departments can use a magnifying glass to advantage, those that handle textiles will find it most useful. These range from ribbons to garments; from laces to piece goods. Such departments form the backbone of the store's stocks.

It is easy to encourage the use of these little magnifying glasses; I find salespeople delighted with them as soon as they are introduced. They open a fresh field of interest in the new fabrics and patterns, and in comparing them with the older ones.

So many people find difficulty at first in handling the linen glass, that I shall intrude here a few hints. When understood, the matter is simple enough.

1. Unfold it, lay it directly on the fabric over the place to be examined.

2. The open end of the glass should be turned toward the light.

3. The eye should be close to the lens, and that eye used which will not bring the nose down in front of the opening. In other words, use the eye that is toward the light.

4. To count threads, place the square opening squarely on the fabric, one edge of the opening being directly between two threads. Very little practice will train one to count the threads that show. If the opening is a quarter-inch, the usual size, of course the result must be multiplied by four to find the "count."

This "count" is most familiar to shoppers in describing percale. Department store buyers often speak of the

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"count" and sometimes they know it.

I happened to be in the advertising department of another store, when one of its copy-writers brought in an item—and a shirt—supposed to be "84-square" percale.

This is fine, closely-woven goods, and means that there are eighty-four threads to the inch, both warp and weft.

The shirt didn't quite look the part, and my handy little glass quickly showed that it was just about 64 by 72.

Very likely the buyer had taken the shirt salesman's word for it; and in how many stores would just such information, going through precisely the same channels, lead to the same immanent mis-statement?

Very often a piece of cotton goods that feels heavy and closely-woven may have fewer threads to the inch than another, made of finer yarn, more closely woven and of better quality. Of course, the quality of yarn may differ, as well as the count, but the count usually gives a good index for comparison of quality.

Your salespeople may be taught many other simple tests for goods, but space permits but a brief mention of a few. Is a piece of taffeta heavily "loaded"? Burn a small sample in the flame of a match. The true silk will shrivel up; the metallic "loading" will remain in the shape of the threads, though it is very fragile.

Will a certain piece of gingham look well after washing? The magnifying glass will disclose much of the loading of chalk, clay or other substance, which is worked into the cloth to make it appear heavier and of closer weave than it really is. Washing a piece, or even wetting a part of it and rubbing, readily takes out the foreign matter and shows how much of the material is cloth and how much camouflage.

Is a piece of silk shirting the real product of the silkworm, or is it artificial silk? Unravel a few threads and chew them thoroughly. This is not as unpleasant as it sounds, for there is little or no taste to these threads, and of course it is not necessary to make a meal of them. Artificial silk breaks up into a pulpy mass, quickly losing its thread-like structure. Natural silk, on the other hand, always remains fibrous.

Is the rustle of a taffeta petticoat any indication of the quality of the silk? This "scroop," as it is called, sounds rich to the ear, but has nothing whatever to do with the quality. It is artificially induced by treating the silk fiber with acid—a dilute solution of acetic or tartaric acid allowed to dry on the surface of the silk, gives this cloth the ability to advertise itself in a petticoat. Fortunately the acid treatment does not seem to hurt the wearing quality of the fabric.

Many factories issue printed matter or pictures, or will write helpful letters about manufacturing methods, and a good deal of useful information may be obtained with just the little trouble of asking for it.

For instance, one of the big silk concerns has printed a booklet, splendidly illustrated, with a fine story about silk culture and making. Another has issued a useful little pocket dictionary of silk. An executive of a large kid glove concern has written as interesting a book about gloves as you could find in a library.

Probably the finest motion picture of the silk industry has been prepared by a big silk mill, showing every stage, from the culture of the silkworm in Japan to the weaving of the finished product in America.

I borrowed this film—most of which, by the way, is beautifully colored—and showed it to our sales force one morning, giving them a running comment of explanation as the pictures were shown, supplementing the captions. We had two performances, so that the force could be divided and see it in turn. Not only were they delighted with it but it gave them a new interest in everything made of silk.

Some time, I hope, a large number of manufacturers will have such films made, and a large number of stores will get the equipment for showing them, so that a regular circuit can be followed. It might be done by makers of commercial films. In any case, it would be a fine thing for both the stores and the manufacturers.

Manufacturers might also find it very profitable to co-operate with stores that issue store papers, by giving them good, straightforward, brass-tack information about their goods, with illustrations wherever possible. Everyone in the store looks for the store paper; everyone reads it through; everyone enjoys it.

It seems odd that manufacturers do not realize how easily they could do some very effective publicity work for themselves, by supplying the right kind of articles for store papers. They spend a lot of money getting out literature for salespeople, perhaps throwing in a prize contest or two, for they realize that here is the connecting link with the ultimate consumer. Yet they pass by the golden opportunity, and the editor of the store paper has to roll up his sleeves and go gunning for helpful articles for his sheet, sometimes finding something in an exchange sent from another store.

On a quest for information for use in our organization, I wrote to nearly 400 manufacturers for data for our store paper, and while most of them had nothing to offer, we did succeed in getting a little.

A booklet issued by a big button concern in Rochester gave an interesting story of the making of buttons, and we adapted a series of three or four short articles from this, illustrating it with some of the excellent half-tones which they had used and which we borrowed for the purpose. These articles aroused a great deal of interest throughout the store.

Some time manufacturers are going to wake up and get some of the finest kind of publicity and "dealer help" free of charge, and the joke of it is, the stores will thank them for it!

Some stores have doubtless tried, as we have, to get the manufacturers' help in telling salespeople about their goods. We have invited them to address group meetings of salespeople, for instance. At first, naturally, we invited the traveling salesmen to attend these meetings, speak, and answer questions. While the traveling salesman is easy to get hold of, in most towns, and likes to talk about his product, he unfortunately knows little of the very things we want to find out. He has more argument than information. A gathering of keen salesmen will quickly floor him with their questions.

Our best talks have come from men in the manufacturing end of the business, and while they are more difficult to get, most stores will have intimate enough connections with some of their good resources to get the big men in the business to stop off and talk things over with the salespeople. It is all the best kind of publicity for the manufacturer, for these are the people that sell his goods.

An underwear man, for instance, will give them the real facts about the various yarns—he may bring specimens of them with him. He will tell them about the methods of knitting; he will show them what wears well and why; he will point out features in the making that mean better quality, and other features that simply enable the manufacturer to save money.

With a lot of garments from the department, and whatever specimens, photographs or samples that the visitor may bring with him, such talks have been of vital interest and great help, and the questions followed thick and fast. The salespeople's interest was intense and vital; and when they were back on their jobs next morning, the merchandise meant more to them, they made it mean more to the customer, and just as naturally as two and two make four, this meant more and better sales to the store.

(continued on page 24)

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The Merchant's Partner—His Banker

By CHARLES MOREAU HARGER

SUPPOSE a merchant could change places for a week with his banker, sitting at the latter's desk. That desk has of late years been moved from a dark, inaccessible office in the rear of the banking room to the front of the lobby. Why? Because the banker found that by so doing he came in closer personal touch with his customers and convinced them that he is not a critic and despot, but a counselor and friend.

Mr. Merchant-Banker would find in a short time that as each business man approached the desk his appearance would summon up a vision of the business house he represented. There would be James Chase—the picture of a well-arranged grocery store with system evident on every hand; Charlie Dale—a struggling furniture store, floors a little scant of goods; one of the Grant brothers, big and hearty—a three-story department store humming with clerks and business. Each would have its own problems and business perplexities.

He would learn that their advancement is directly connected with that of the bank itself and is after all its real basis of growth. Unless it can serve them, and all the other business firms of town, it has little excuse for existence. Further, the banker's personal interest in merchants is perhaps greater than in the ordinary customer, for their accounts change from day to day; they appear daily at the desk, while others appear less often.

Nor does it matter to the banker whether his caller represents a ten-story emporium or a one-story single store room—he feels a keen interest in each man's or woman's success. Perhaps the name has been on his books for a dozen or twenty years; perhaps it represents a new venture that he hopes to see grow into one of the community's successes—to the banker each is in a sense the bank's partner and the bank owes its best effort to have that customer win.

The merchant does not always realize this. He sometimes thinks the bank simply wants his account. He should attend a directors' meeting. There comes before the board a note of the Blank Brothers' clothing store. "How are they getting along?" someone asks. "Well," replies the banker, "they did very well until last month; then unseasonable weather cut down their sales. They had to borrow to buy for next season and may have to borrow more. But they are workers, and make friends, and we ought to help them. They are worth giving all the credit possible, for they are fine men."

Why did he say that? John Blank the week before had stopped at the desk in the lobby for a talk. "I want to tell you just where I stand," he began, and went into the conditions in the store, showing the president just what difficulties faced him and how he proposed to meet them. He laid all his cards on the table, so to speak—and the banker-friend was favorably impressed by his confidence. In the end, the trust was justified and later the president took pleasure in calling his directors' attention to it.

But Calvin Dash, the grocer, took another course. He did not propose to let the banker know all about his business. Were there not other grocers doing business at that bank? So he struggled with his deposit account. Once a check went to protest and he was called to the banker's desk for a consultation.

"How can I help you, if I do not know just where you stand?" asked the banker.

"I don't tell my business affairs to everybody," was the reply.

"Do you tell your doctor about your condition when you call him?"

"Yes, of course."

"Did you tell Lawyer Smith all the facts when you sued the railroad for overcharge in freight?"

"Certainly."

"Then," went on the banker, "how do you expect me to assist you financially if you do not tell me all the conditions of your business."

After that talk, it was easier. From the banker Calvin Dash learned some lessons that made his business progress less difficult and helped him over many a rough place.

The war period, with its high level of prices for labor in industrial centers and the high figures for farm products in agricultural states, has taken from the retail merchant who watched his business much anxiety. Money has been more abundant, wages and salaries higher, spending freer. Collections have been better, credits safer. In the more prosperous sections the merchant has been able to carry through the year without asking favors of the bank, a sharp contrast with former years when the farmer paid only once a year and the laborer about as seldom, necessitating much borrowing to keep the shelves full.

Three years ago a collection agent showed me a list of $7,000 in dead accounts he had gathered in one western town of less than 3,000 population. Ninety-five per cent of this was dead loss. Any banker could have told any of the merchants that it was poor business and that he would better have the goods on his shelves than the uncollectable accounts on his books. Maybe those merchants did not want to consult their banker—and paid the price.

Too many persons look upon a bank as merely a place to safeguard currency and coin and to pay it out when called for. In fact, those are the least of the bank's functions. Its real purpose is to act as the financial agent of the community and to aid every merchant and business man in carrying on his affairs. It is a mutual service station, for service is the bank's principal asset. Because so many kinds of business are revealed to the bank manager he becomes something of an expert on the problems of each class.



In the stock room, Churchwell Brothers, wholesale and retail dry goods, Cordele, Georgia.

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He is the one person in the community to whom the business man can go and gain information on the general trend of affairs. The merchant's vision today must be broad, and the banker, because it is his life work, should know more than he of the outlook.

One morning last March the manager of the Community Emporium, the biggest concern in a thrifty Nebraska town, went to his banker with this question: "What is going to happen to prices? I am going to New York to buy goods, and if there is going to be a drop I must go slow. If things are going to stay up or go higher, I want to lay in plenty for next fall."

The banker took from his files recent trade reports, government estimates on crops and opinions of financial experts.

"Production is behind," was his answer; "a great wheat crop is in sight; people out here are going to have plenty of money. Unless labor conditions improve there will be a shortage of goods and prices will probably stay high for several months. You are not likely to lose by buying liberally—but don't overdo it."

"But if people get the money, will they spend it? That is what is troubling me."

Then the banker went into local conditions, the crops, the labor situation, the better dressing of stenographers and clerks, the higher wages of laborers. The manager went away with a clearer idea of just what his home and the general business situation offered and what was likely to happen in the coming months' trade. He started for market carrying with him a broader vision because of the banker's explanation. These are things on which the business man must have definite opinions if he is to develop and grow, and it is simpler to obtain them from one whose task it is to study affairs as a financial authority.

Today's prosperity period may not always remain at its high level; we shall doubtless see years when there will be more moderate conditions, and the merchant will need the friendly aid of someone outside his own concern. The banker is human. He does not desire to force confidence—he may meet another Calvin Dash. He knows from the deposit account, the sight exchange drawn for bills, that the business firm is having difficulty in meeting its obligations. He would welcome a chance to help. Plainly the bank president and cashier cannot regularly visit at length in the merchant's store—it would be considered as presumption. The merchant can, and does, visit the bank daily and is welcomed there, for it is a part of the officers' duty to meet customers and discuss affairs.

"We ought to have a written statement of your condition on file," suggested the cashier to one of his customers, a prosperous merchant in the Middle West.



Upper right, scene in men's hat section, Gus Blass Company, Little Rock, Arkansas. Below, first floor view in Lipman, Wolfe & Co. department store, Portland, Oregon.

"I don't have to do that," was the reply. "You know I am getting along all right and will run my own business and pay my bills."

"Yes, but if we are going to work with you we must be in a position to meet the regulations of the Federal Reserve bank. Our job is to make the bank useful to you and to all the merchants of town. If we don't do this we can't help you when you need help. Don't you see that unless you and the bank work together the town as a whole will suffer? The bank will suffer least perhaps, but on the whole we must keep together."

The merchant thought it over and the next day came in with his statement.

"Guess you were right," he volunteered. "I had never thought of that side of it before."

Probably the hardest thing in the banking business is to bring customers to understand that it is their bank, that they made it, that they should use it. By advertising, by personal correspondence, by explaining the bank's relations to the community, modern bankers are trying to impress this on their patrons—and are creating a new conception of the bank as a partner in every financial operation of its customers. The average merchant does not understand how keenly it hurts a banker to have one of his customers fail—not that the bank will lose, for it may be financially safe—but that he, as the financial physician, lost his patient.

Just how helpful the merchant may make his banker is proved by the history of many a business. A now successful merchant of Indiana was telling of his experience recently. "I started a hardware and implement store ten years ago," said he, "with a little capital but a lot of courage and ability as a salesman. I sold goods—lots of them—but somehow things did not go right. The first of every month became a terror to me; I was unable to take trade discounts. I borrowed $500 and then $1,000—both without difficulty because the stock was worth it—and I was apparently doing a good business, though really running behind. Then I became discouraged and decided to quit and take a job on the road. I braced up and approached the cashier of the bank where I did business.

"Go and get your books and come to the directors' room," said he; and when there he carefully closed the door. He sat down with me and made out a rough balance sheet that told just where I stood.

"You are a good salesman, but you do not understand costs and are a poor collector," was his verdict. "Let the clerks run the store and spend the next month collecting what is owing you. I'll put $1,000 to your credit to pay your bills and you come to me every day and report." He advised me day

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He Got It By Reaching

By IRVING J. AUERBACH

IF I COULD increase the size of my neighborhood at a small cost; that is, if I could reach out and bring all the homes within eight or ten blocks closer to my store without incurring too much expense," said A. E. Jensen, "I believe I could make a lot of money."

But this seemed such a hard thing to do, because Jensen's was the little drug store on the corner of Porphyry and Montana streets a third-class location; the sort of place you would go last, provided you couldn't get what you wanted of one of the "big three."

"Just what do you mean by bringing the homes closer to the store?" asked Mr. Jensen's chief and only chemist.

"Well, I'll tell you," Jensen replied; "if we could figure out some method of rapid delivery at low cost and could make people all over the city know of this prompt service, whether it be in delivering a bottle of Castoria, a tube of Pebeco, toilet articles, candy, or a quarter's worth of ice cream, they would phone their orders to us and thereby become next-door neighbors."

In a city covering such a wide and hilly area as Butte, delivery costs are high. Some method of quick and inexpensive delivery must be devised, but a low cost for each individual delivery is almost always based on a big volume of business with the cheapest delivery method.

Next he must find an advertising medium that would absolutely compel attention, and prepare copy that would impress itself indelibly upon the minds of all readers. Many a time had Jensen witnessed the failure of men who rendered good service and sold quality goods; saw them fail because of poor advertising methods and weak copy. There were the newspapers, billboards, street-car cards, painted signs and painted rocks, circular letters, booklets and theater programs and curtains; but Jensen wanted to advertise in a way that would be different.

But first, what kind of delivery would be least expensive? Automobiles were too big and too expensive to operate for a small neighborhood drug store; motorcycles are fast, but accidents are not uncommon, and Jensen deemed it essential to keep his employees in good health, as well as in good humor. Horses ate too much; wagons, moreover, were old-fashioned.

"Hello, Mr. Jensen," said a smiling youth one morning soon after the close of the school term; "will you give me a job delivering bundles? I've just finished two years of high school and want to go into business; want to start at the bottom and work up."

"Why, certainly," replied Jensen, somewhat surprised; "but how are you going to deliver packages?"

"On my bike."

So another helper entered Jensen's employ and took up the task of delivering packages, waiting on customers, and keeping the place clean. Cleanliness is next to godliness, and the first things a sick person thinks of are the doctor and the drug store.

Jensen figured that his new employee cost him 83⅓ cents a day and that the first few deliveries would be expensive, for they numbered only eight or ten a day, chiefly to persons living near—people in the first or second block to whom he or his chemist usually delivered as a personal favor.

If the number of deliveries could be increased to twenty-five a day, the cost would be reduced to 3⅓ cents each. What encouraged Jensen was his knowledge of the fact that many persons order more at one time by phone than they do when they call; the average man or woman calls in person to buy some one specific thing. So Jensen figured that the increase in business due to telephone orders would more than justify the expense of delivery. Accordingly Jensen told his customers he had started a prompt free delivery for urgent needs.

This, however, did not bring any new business, and new business was the big idea. To get their trade it was necessary to convince Mrs. Jones up in Walkerville, Mrs. Lakich in Meaderville, and the fashionable Mrs. Smith out on the "West Side," including their husbands and children, that Jensen's Drug Store was a good drug store, that Jensen's chemists compounded prescriptions with expert accuracy, and that Jensen's had a lot of good things to sell besides drugs, patent medicines and tooth powder. But how could this idea be conveyed to the people of Butte in the most forceful, attention-compelling way?

Motion picture theater slides! The very idea!

Whether you like motion picture slides or not, you can't escape reading them. If they are cleverly written and artistically arranged, and if the lettering and photography are good, you will even like them.

No matter what is said on them, slides cover the entire length and width of the screen; there is no other advertising matter on the sides, top or bottom to detract the attention. The slide is exclusive right before your eyes, where you have to read it—and after you have read the same message time and again it is so indelibly impressed upon your mind that you can't forget it. Constant repetition—that's what does the trick.



Typical specimens of Jensen's advertising on the screen. At left, interior of Jensen's store.

Turning Inquiries Into Sales

By HUBERT C. TELLER

Advertising Manager, The Edwards & Chamberlin Hardware Company, Kalamazoo, Michigan

CUSTOMERS who linger and look but turn away, never to buy the article that seemed so nearly sold—they present one of the commonest and most cantankerous problems of every retailer.

It's not easy—getting that business that gets away—but it's not impossible. In fact, it's quite possible. More than that, it's highly profitable.

Either the expenditure of time and effort—the endless expense of "showing but not selling"—must be accepted as one of the disagreeable losses of retail selling, or it can be capitalized and turned into an asset that adds, regularly and unfailingly, many dollars to the totals of monthly sales.

The Edwards & Chamberlin Hardware Company has made a three-year test of a highly-organized, a perfected and persistent effort, to turn these "shoppers' inquiries" into sales. Let us explain how the system works by recounting an actual experience; by showing how one of many, very many, I-won't-take-it-todays was turned into "Cash Received."

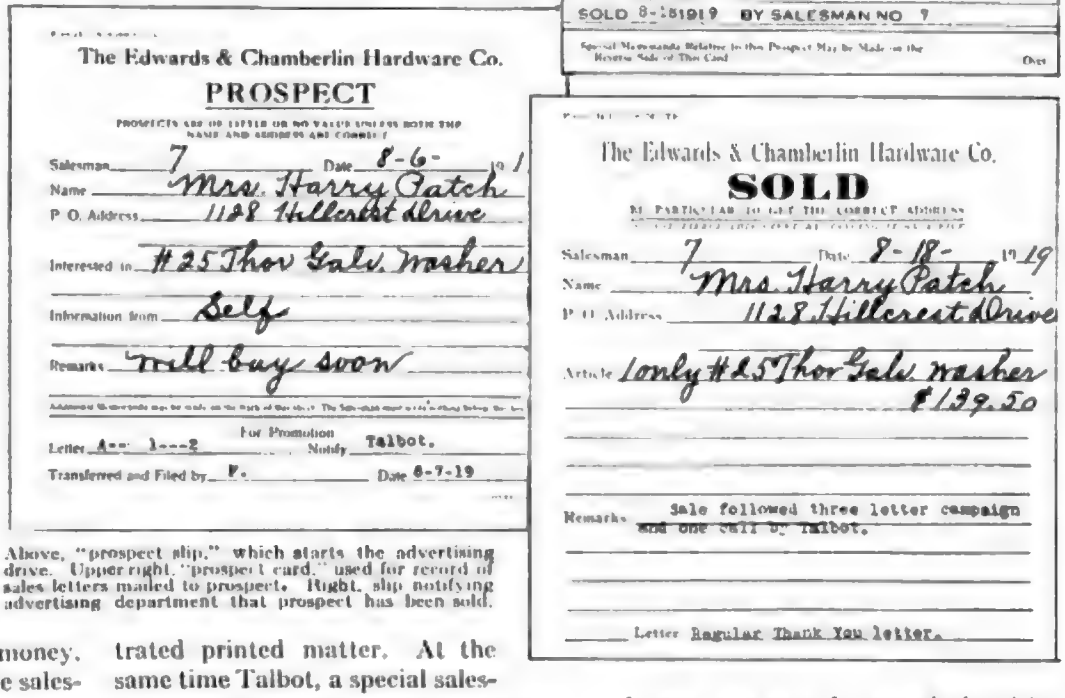
Let us call the shopper Mrs. Harry F. Patch. Wandering into our home furnishings department one day early in August, she remarked to one of the salespeople: "I'm planning to buy an electric washer this fall. I don't know what machine I shall choose, but so long as I am in the store you might show me the one you sell."

With a vision of commission money, which will be explained later, the salesperson literally "grabbed" the prospect. A clear, concise sales talk, a thorough demonstration, a display of a list of local users, the presentation of attractive printed literature—every known means of salesmanship was tried and exhausted. Mrs. Patch dismissed the matter with a smiling but firm, "Well, thank you very much; I shall not decide today."

In many stores that decision would have closed the incident. Not so under our direct-mail, follow-up system. The home of Mrs. Patch immediately became the objective of one of those advertising drives that have turned into sales for us hundreds of similar prospects for electric washers, motorcycles, bicycles, gas ranges, auto accessories, sets of silverware and many other kinds of merchandise.

Mrs. Patch had not yet reached the elevator on her way out before the salesperson made out a "prospect slip." Next day this slip reached the advertising manager, who caused a card to be made out for the card index system and instructed that form letters No. A, No. 1 and No. 2 on the Thor electric washer be sent to Mrs. Patch at intervals of four days apart.

Each letter was accompanied by a different piece of colored, illustrated printed matter. At the same time Talbot, a special salesman who follows up prospects on house furnishings, was notified.



The Edwards & Chamberlin Hardware Co.

PROSPECT

PROSPECTS ARE OF LITTLE OR NO VALUE UNLESS BOTH THE NAME AND ADDRESS ARE CORRECT

Salesman 7 Date 8-6- 19 1

Name Mrs. Harry Patch

P. O. Address 1128 Hillcrest Drive

Interested in #25 Thor Galv. Washer

Information from Self

Remarks Will buy soon

Address Wholesale may be made on the back of this slip. The Salesman must write his name plainly below the line.

For Promotion

Letter A--- 1---2 Notify Talbot.

Transferred and Filed by F. Date 8-7-19

PROSPECT

SALESMAN NO. 7 DATE 8-6 19 LETTER

NAME Mrs. Harry F. Patch, THOR

P.O. ADDRESS 1128 Hillcrest Drive

INTERESTED IN #25 THOR electric Washer. 8/2 8/6

PROSPECTOR PLEASE TO Not Reported to Mfg.

REMARKS Saw machine. Says she will buy some kind soon.

SOLD 8-18-1919 BY SALESMAN NO 7

Special Memoranda Relative to the Prospect May Be Made on the Reverse Side of This Card Over

The Edwards & Chamberlin Hardware Co.

SOLD

BE PARTICULAR TO GET THE CORRECT ADDRESS

Salesman 7 Date 8-18- 19 19

Name Mrs. Harry Patch

P. O. Address 1128 Hillcrest Drive

Article 1 only #25 Thor Galv. washer $139.50

Remarks Sale followed three letter campaign and one call by Talbot.

Letter Regular Thank You letter.

Above, "prospect slip," which starts the advertising drive. Upper right, "prospect card," used for record of sales letters mailed to prospect. Right, slip notifying advertising department that prospect has been sold.

The three letters sent to Mrs. Patch drove home the points of efficiency of the Thor and the ease of owning one. They fanned into full flame her already kindled interest in electric washing machines. It was inevitable that she should read the sales messages because she was actually interested.

The type of selling argument and the conversational style employed are illustrated by the following letter, the second of the three sent out:

Mrs. Harry F. Patch,
1128 Hillcrest Drive, City.
Dear Madam:

Whenever a manufacturer can install a machine that will do a certain piece of work better and MORE CHEAPLY than it can be done by hand, he does so.

Why shouldn't the housewife?

I don't know what you pay to have your washing done, but it certainly is more than two cents and the cost of a cake of soap.

You can cut it down to that astonishingly low amount simply by the use of a THOR Electric Washing Machine.

It costs two cents for enough electricity to run the THOR an hour.

By its use your washing is done quicker and better than an expert laundress can do it. The heaviest and dirtiest clothes are washed to a condition of spotless cleanliness, and the daintest laces are uninjured.

It's worth considering.

And, having considered, you'll decide it's worth buying.

If you take advantage of our easy payment plan the THOR will pay for itself in a short time. Why not do next week's washing on your own THOR?

Very truly yours,
THE EDWARDS & CHAMBERLIN HARDWARE CO.
H. C. Teller, Adv. Mgr.

On the day that Mrs. Patch received the third and last letter, Talbot, the special salesman, called at her home. He had little to do; he found her already "sold."

Two days later she came into the store and placed her order with the salesperson she first talked to. The advertising department was now notified by means of a "sold slip" to cease its efforts to turn Mrs. Patch's indecision into a sale; and with the final instruction to write a letter of thanks to Mrs. Patch and an offer to give her any service or assistance she might need in operating the machine, Mrs. Patch and her inquiry about the Thor became a closed incident. But a much better sort of closed incident from the merchant's viewpoint than letting the matter die with the shopper's "I shall not decide today."

What would have happened had the prospect been forgotten with her leaving the store? She might have bought in a few weeks. She might not have bought in a year, and she might never have bought her washer at our store.

A "shopper" is a hard customer. Some one sells her, of course, if she is really in earnest in her quest, but often—much too often—it's the other fellow.

We believe in hurrying the decision, and we believe—and know—that the store that makes an aggressive, persistent, consistent, insistent effort to turn every inquiry into a sale will "land" more of this business than the competitor that simply sees them "come and go."

The cost? Almost nothing. For every $1,000 in sales to prospects the cost of this follow-up system is less than $10. A few simple printed forms, a little time on the part of a stenographer, some salary expense for the advertising staff's time in preparing form letters—which are changed every few months—and that is all.

It's a system, too, that can be used by any store—anywhere they have postage stamps for sale. It can be put to work today. It will begin to pull business tomorrow.

Thirty-five different articles are covered by our regular form letters, and special letters are written for prospects for special merchandise. Sales to prospects never fail to reach satisfactory proportions. Sometimes the first letter "brings home the bacon." At any event, it's profitable advertising.

And—this is too important to pass without consideration—many of our direct-by-mail prospects have written us and called on us to say, "We certainly want to trade at a store that seems so glad to get our business." The effort is fully justified if for no other reason than to create that impression. You are sure to arouse more interest in your store if you display the right degree of interest in serving the customer.

But, Mr. Merchant, you are saying, "I never could get my clerks to obtain the names and turn in the prospects."

"Aye, there's the rub," you are thinking.

It looks like a chasm of seeming impossibility, true enough, but it can be bridged. In our own store we bridge it by means of systematic business records.

Our salespeople are kept "on their toes."

And they are kept "on their toes" because they are "kept track of."

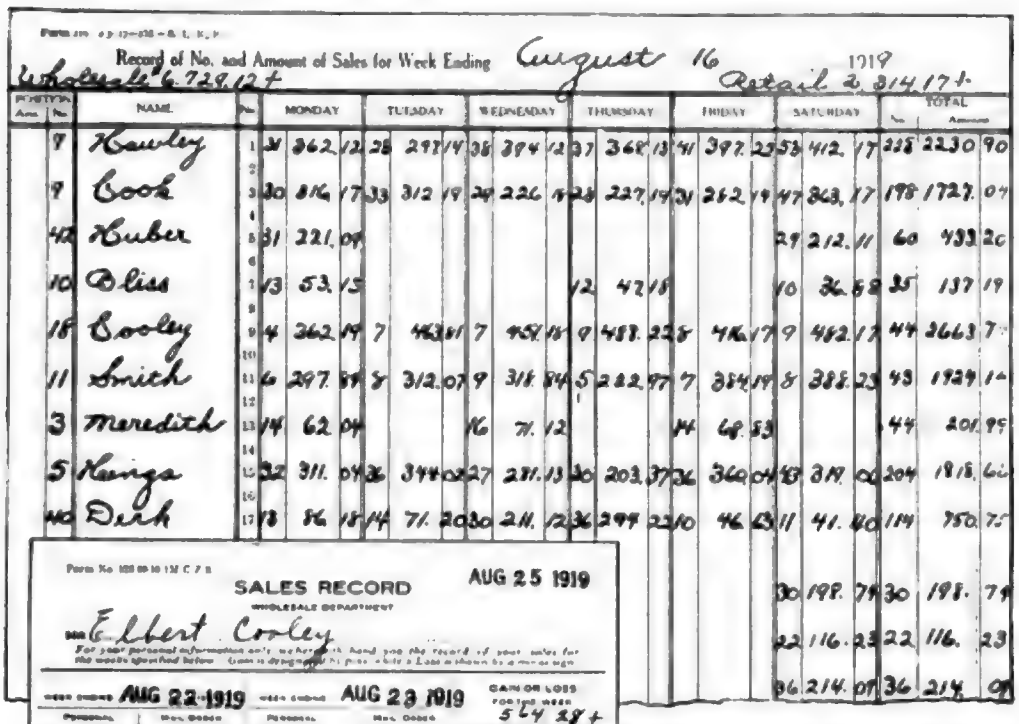
We know day by day, week by week, year in and year out, just what each salesperson is doing in gross sales, number of sales, number of prospects, etc. And they know that we know. And knowing that we know, they know it behooves them to keep alive.

But that's not the only reason that it pays to keep systematic, detailed business records. It's not only because we know each clerk's efficiency that each salesperson realizes that he must make good or it will be known and he will become the victim of his own incapacity. Systematic records enable us to reward deserving employees, and to reward them impartially. Knowledge of the individual sales has prompted the payment of a commission to each salesperson, based on his sales totals. It rests with each salesperson to make that commission as much as possible. It's on a percentage basis and jumps with his sales. That's why the salesgirl tried so hard to sell the washer to Mrs. Patch. It would have paid her a commission of $1.39. That's why she skillfully found out Mrs. Patch's name and turned in a prospect slip—because she gets a prize for turning in the names of a certain number of prospects every month.

The paying of commissions has paid because it has increased interest, stimulated salesmanship and provided a satisfactory way to pay salary advances—by making it possible for the salesman to earn them.

Every day each salesperson's sales are totaled. Both the number of his individual sales and the total of all of his sales are recorded on a weekly record sheet.

Early in the week each salesperson receives a record card showing his total



Record of No. and Amount of Sales for Week Ending August 16 1919

Wholesale 6 729.12+ Retail 2 814.17+

NAME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTAL
Hawley	24 362.12	25 297.14	38 394.12	37 368.13	41 397.25	53 412.17	218 2230.90
Cook	30 816.17	33 312.19	29 226.14	28 227.14	31 262.19	47 363.17	198 1727.01
Huber	31 221.09					29 212.11	60 433.20
Bliss	13 53.15			12 42.18		10 36.58	35 132.19
Cooley	4 262.14 7	463.61 7	458.18 9	488.22.8	476.17 9	462.17	44 2663.75
Smith	6 297.38 8	312.07 9	318.54 5	282.97 7	354.19 8	388.23	43 1929.14
Meredith	14 62.04		16 71.12		14 48.53		44 201.99
Kenga	32 311.04 36	344.02 27	281.13 30	203.37 36	360.04 43	317.00	204 1816.60
Dirk	18 86.18 14	71.20 30	211.12 36	299.22.0	46.63 11	41.40	119 750.75
						30 198.79	30 198.79
						22 116.23	22 116.23
						36 214.01	36 214.01

SALES RECORD AUG 25 1919

WHOLESALE DEPARTMENT

Mr. Elbert Cooley

For your personal information and guidance we have set down below the record of your sales for the weeks specified below. Gain is designated by plus (+) sign; a Loss is shown by a minus sign.

Week ending AUG 22 1919 Personal Sales	Week ending AUG 23 1919 Personal Sales	GAIN OR LOSS POSTED WEEK ENDING AUG 23 1919
$1,023.64	$1,042.28	5 24 28+

	PERSONAL SALES	NO. ORDERS SALES
Your comparative position as a salesman for these weeks was: for 1918	7	6
for 1919	5	4
The number of salesmen entering into this comparison was: for 1918	12	

THE EDWARDS & CHAMBERLIN HARDWARE COMPANY

Above, form on which salesmen's totals are recorded. The figures in the narrow column under the days of the week represent the number of sales; figures to the right of these represent volume. In the "total" column is a recapitulation for the week. Left, personal record for salesman, showing his increase or loss in volume and his comparative position in the sales force

(Continued from page 10)

Deaf-and-Dumb Advertising

By M. K. POWERS

I STEP into a store.

The merchant greets me at the door. Instantly he breaks into speech. "Staple and Fancy Groceries. Choicest Selections. Courteous Service," he recites. Or perhaps he's not a grocer but a hardware man. In that case he promptly and glibly parrots, "Tools, Builders' Hardware, Auto Accessories. Established 1896. The place you ought to trade."

Do actual flesh-and-blood merchants ever say such things?

Not by a jugful, dear reader. They merely print them, misname it "advertising" and pay cold, hard-earned money for the amusement while we, their possible customers, pass it by unheedingly.

If that is advertising, then it is "deaf-and-dumb advertising" because the merchants who pay for it are tongue-tied and their customers deaf to its appeal.

There is a continuous argument going on the nation over as to whether advertising is an expense to the buying public or whether, by reducing selling expense, it puts goods into the customer's hands at less than would be otherwise possible.

Firmly as I believe in the basic economy of advertising, I must in all honesty testify that advertising of the kind just described must be classed as a luxury pure and simple.

Yet the same space can be made to sell goods.

How?

Merely by applying the same skill, the same thought and to a large extent, the very same words which Mr. Merchant uses when he greets us over the counter and lures our greenbacks and tinkling coins so skillfully into the waiting maw of his cash register.

Why a retail merchant, with all his word-of-mouth skill, is so sadly prone to lose his sense of salesmanship when, with pencil in hand, he faces a sheet of paper on which to write an advertisement, is a puzzle which I, for one, never have been able to fathom. There are the goods on his shelves—goods for which I and my wife are already, in all probability, secretly yearning. There is the diagram of his space in the next issue of his newspaper. And, finally, on his tongue's end are dozens of winning, convincing arguments for the goods.



The retail merchant is sadly prone to lose his sense of salesmanship when, with pencil in hand, he faces a sheet of paper on which to write an advertisement

Surely that combination should strike fire and produce something more alluring than "Staple and Fancy Groceries—the finest stock in the city."

Newspaper owners must sometimes feel guilty of robbing infants when they get paid for space used in that manner.

Does a merchant need long training and a mastery of "style" to write profitable advertising?

Not a bit of it.

Long training and expert craftmanship can, of course, make advertising more profitable, but straight, sincere descriptions of goods, about which you are honestly enthusiastic, will convince possible customers in a quantity quite sufficient to make advertising pay. Let the arguments on your tongue's end flow to your pencil's end and you have good "copy."

For example, what is there that is thrilling, sensational or oratorical in the "style" of the advertisement which follows? Nothing. It is simply a straightforward, obviously truthful description which builds up confidence by its very lack of highfalutin claims or circus-day wording. Yet I venture to say that it sold out the stock it featured.

1200 Hemstitched Linen and Huckaback Towels

at very special prices

These were secured from a linen importer at large underprice because they were oilspotted, slightly irregular in weave or were not of standard size.

The oil spots can be removed without difficulty, other than tubbing. Those that are irregular in weave the wearing quality is unimpaired.

What is the force of that ad? Painstaking accuracy of description—that and that alone.

In part awkward in wording, even fracturing strict rules of grammar, it nevertheless establishes confidence in the store and also sells towels, all without the slightest attempt at "literary" excellence. Surely any merchant ought to be able to describe his goods and his service with equal accuracy.

That sample of good retail advertising was based solely on description.

Description and price are the two major appeals to Mr. and Mrs. Average Customer. Mr. Average Merchant, when writing advertising, usually remembers price but rarely attempts a humanly interesting description.

Here is a bona-fide and perfectly fair example of the kind of retail advertising which bulks the biggest, after department store advertising is deducted. As you read it, put yourself in the easy chair of a possible customer and measure its effect on you.

Oriental Rugs

The time for selecting Oriental Rugs is now. We have a large assortment of Keshans, Sarouk and Kirmans, really a treat to look at.

If I am sitting at home with the money in hand, all prepared to sally

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forth and buy an Oriental, then that ad. might strike home. Certainly it makes no effort to stir my desire—which is already full-grown—to possess more of those wonderful feats of craftsmanship. Certainly it doesn't make me look at my rapidly-aging domestic rug with new realization of its unsightliness in the eyes of our guests. Why, before I know it, I'll be writing a perfectly good ad. for that merchant—at least you will admit that I have unintentionally suggested, by very definite comments, an "approach" to some real descriptions which would turn the final trick of getting me into that display room. (By the way, why is "now" the right time to buy?)

Now here, by contrast, is a merchant who isn't self-conscious when he starts to prepare an advertisement. He (mentally) gets out of his store and puts himself in his prospect's place and looks at his merchandise through their eyes. Note the difference. Note, too, that his "description" is a description of pleasures involved rather than of the goods themselves.

Boys

The bicycle is the boy's own, and the the boy who hasn't one is missing lots of real fun. Your "bike" will take you anywhere—to school, to the swimming pool, out into the woods. It is ever ready and consumes neither hay nor gasoline.

$1 a week pays for the BLACK BEAUTY—20 different styles to select from.

Now let's write that in the all-too-usual fashion.

Bicycles !

We have them. All models. Easy payments. Also a complete line of tire repair kits, guns and fishing tackle.

Don't laugh. That's rather better than the average. But where is the appeal?

If you don't believe that such advertisements as that last one really appear and are paid for, read this actual clipping.

Baby Carriages
¼ Off

Baby Carriages
Now $25.50

Baby Carriages
Now $29.50

Baby Carriages
Now $31.50

¼ off on Sulkies and Strollers.
We deliver everywhere.
We do Repairing, Upholstering and Enameling. Open Evenings.

Except for the omission of the name and address of the store, the foregoing advertisement is reproduced verbatim. All that accompanied the copy was a solitary illustration, three-quarters of an inch high. So you see I haven't exaggerated in writing my own imaginary samples of uninteresting ads.

Contrast such a piece of copy with the specimen that follows. Here, too, is an inch-and-a-half of description, but

Period Chests
Usefully Decorative

It may be a Queen Anne, a Chippendale, or a William and Mary Period chest that will enchant you with its beauty of construction and usefulness of purpose.

These chests with their spacious interiors solve the lack of closet space in many homes. Their carved and beautifully finished mahogany or walnut cases make them an added adornment to any room in the home or small apartment.

They are forty-eight inches long, twenty-two inches wide and thirty inches high. Easily running castors make them conveniently movable.

We have the William and Mary, Queen Anne and Chippendale chests in stock and will order any of the following:

Chests at $65

Tudor *Martha Washington* *Adam*
Hepplewhite *Louis XVI* *Albemarle*

Fig. 1

it both makes an alluring picture of the article for sale and adds an interesting morsel to the reader's fund of information. Doesn't it unconsciously give you the impression that the store behind it uses painstaking care in the selection of merchandise?

Made of the Skin of the Black Head Sheep

This is a pair of MOCHA gloves. The Black Head sheep, to whom they owe their origin, is found near Mocha, an ancient city of Arabia. The skins, when made into gloves, have a soft and velvety feeling. These gloves are lightweight Mocha for early Fall wear. 1-horn clasp, spearpoint backs, beaver and taupe, $3.25.

Analyze the attraction of that advertisement and what do you find? Merely that so pleasingly complete a description makes the article stick in your memory far more lastingly than the most glowing of phrases. A usual paragraph such as, "Mocha Gloves—Fashion's favorite—Complete stock just received—Don't miss these at today's prices—Only $3.25," leaves you comparatively cold, and there is none of the confidence-building atmosphere of the actual clipping. Isn't the extra care more than worth the effort?

The average furniture advertisement depends almost wholly upon illustrations and price-appeal for pulling strength. Little or no effort is made to create a desire. The whole purpose seems to be merely to win attention from the housewife who is already shopping, pricing and comparing similar articles. There is, however, another possibility and it is illustrated by this quotation from a department-store announcement. This firm obviously believes it worth while to try to sell chests to women who, when they rose that morning, had not realized the desirability of such an article of furniture. The wording itself is not remarkable, but the advertisement as a whole is worth study. (Fig. 1.)

See how chock-full of information those four brief paragraphs are. Count the facts: (1) Styles; (2) Substitute for closets; (3) Spacious interiors; (4) Mahogany or walnut; (5) Useful anywhere; (6) Apartment dwellers, take notice; (7) Exact size; (8) Movable; (9) Three styles in stock; (10) Price.

It's as meaty with facts as a properly made bun with currants, and Mrs. Possible Customer, almost before she has finished reading it, will have one of those chests located—in her mind's eye—in just the fitting corner in her home. And when she has been led that far you can safely trust her—as all husbands know—to arrange for the trivial detail of where the sixty-five iron men are coming from. It is a splendid example of how facts—calm, specific facts, the kind you use in your personal sales talks—can, when printed, make just as true an appeal without the addition of any "fine writing," verbal fireworks or glittering claims. Why take the unnecessary risk of rousing a reader's suspicions with high-flown claims when simple unvarnished facts will make the sale? I sometimes think after paging through a newspaper, that P. T. Barnum is still the ideal whom retailers follow as an advertising model.

In collecting "specimens" to exhibit in an article such as this, it is likely to prove difficult to show good contrasting parallels of ads. on the same lines of merchandise that are unmistakably good or glaringly bad. The big majority of advertisements steer too consistent a mid-channel course of mediocrity. As this article goes on paper, however, August fur sales are monopolizing column upon column and my current Sunday edition gives me the opportunity I desire to contrast a "newsy" ad. with one typical of the great majority. I'll let you decide which I think is the better ad. (Fig. 2, Fig. 3.)

After reading both of these advertisements I feel very sure that the second one will be proved more nearly 100

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per cent successful in carrying out its stated purpose. I am sure that practically every reader will follow the suggestion to "buy elsewhere." However, I question whether many will be coaxed in to see the display mentioned. And when going elsewhere to buy, I, for one, would feel allured to investigate the furs advertised in the first of the two specimens.

Publishing a list of goods is apparently another popular way of wasting money and charging it to "advertising."

Hardware merchants probably top the column at this sport, with grocers, perhaps, a good second. Here's the sort of thing I mean:

We Are Hardware Headquarters

A complete line of

Light Hardware
Builders' Hardware
Tools
Washing Machines
Stoves
Paint and Varnish

Always at your service.

That isn't an ad.—it's a directory. And nobody reads a directory unless he is obliged to.

Now let's tackle the whole subject from another angle.

What makes people read newspapers?

The news.

Correct.

How do they pick out what they want to read?

By the headlines. If you doubt this watch your wife at the breakfast table or your neighbor on the street car, and observe their eyes grass-hoppering here and there around the page until they light on an appealing tidbit.

What then?

Two things. First, the surest way to stop those wandering eyes and tie them down to your space is by the lure of a newsy or appealing headline. Since you are competing with the news editors for attention, you must do your level best to beat them at their own game. Second, the more newsy your copy, the more chance it stands of being fully read and digested word by word.

Stop-look-and-read headlines are not difficult nor, on the other hand, can they be evolved without a little real thinking. If, as many claim, "a live headline is half the battle," then the ads. that follow these samples were already well on their way to success.

"Have you seen Broadacre Farm since its recent painting?"

"Everything from little wooden toothpicks to heavy lumber wagons."

"Sewing machine prices are soon to advance."

"Our Paris shipment arrived just yesterday."

"Farm Day—and a Souvenir for the Kiddies."

"Ty Cobb picks a pearl-grey 'Lenox'."

Fur Sale

Attracts Hundreds

When we stole a march on the fur markets and made our August Sale purchases just 24 hours ahead of a 20 per cent increase in the price of furs, we knew we had accomplished a wonderful feat. We purchased twice as many furs as we anticipated—we now wish we had purchased four times as many. Cleveland women are enthusiastic about this sale—the wonderful values here. Incidentally you earn the 20 per cent we saved in addition to the regular discounts.

Fig. 2

August Fur Sale

Do not fail to see our line of

Furs and Fur Coats

before buying elsewhere. During this sale we are daily receiving NEW STOCK. We invite comparisons and guarantee a substantial saving on every garment.

Fig. 3

Frankly, can't you see that to me—and to my wife—such headlines are far more appealing than the type of headline, so very, very common, which is written almost wholly from the merchant's "inside" point of view? I mean headlines like these:

"Let us convince you."
"Joint accounts."
"Expert advice."
"The Blank Company announces ".
"Visit our display rooms."

They may have interested the advertiser who wrote them, but would they coax you to dig further into the reading matter below?

I am busy; so is my wife. Neither of us are hunting for things to read. With unread magazines and books, besides the newspaper, always at hand the merchant who fails to stop us quickly with an eye-catching headline or an interesting illustration has probably tossed away his chance for that issue. All five of those forceless headlines quoted just above were selected from a single edition of a newspaper in which the space costs approximately three dollars an inch. Who can estimate the business lost through just those five lifeless, unappealing headlines?

Yet there is a very simple, easy-to-remember guide to writing good headlines.

"USE NEWS."

If a brand of roofing you sell refuses to catch fire from a near-by conflagration, that is news—sales-making news.

If a hospital buys your line of metal beds, or refrigerators, or cleaning compound, there is news that testifies to the sanitary excellence of your merchandise.

If a local owner drives your make of car on a long tour without touching the motor other than to feed it oil, that is legitimate and effective news copy.

If your method of mixing drugs or checking prescriptions involves some unusually modern device for safe-guarding the invalid, tell it newsily and profit by it.

If the diamonds you sold in 1910 have enhanced heavily in value, print the facts to reassure hesitating prospects that well-chosen gems are not merely luxuries but investments.

There's news, real news in every line of retail business—some of it sufficient in itself to sell goods, the rest of it mighty valuable to coax the reader down into the finer type where you can ply your personal sales skill on his pocketbook.

People read the news column in their papers and pass by the editorials because in the one they get facts, in the other opinions. And it is their natural tendency to treat advertisers in the same way. As long as you stick to facts and select those of real interest, they will stick with you. When you wander away to express your opinions, they, too, will wander over into the next column to glance at Jones' ad. or read the day's developments in the latest murder mystery.

So if I were a retail merchant, I would call in my sign artist and have him letter for me a placard. And I would hang that placard at the level of my eyes in the particular spot in my establishment to which I retired when the advertising flame must be kindled. And on that placard would be the words :

BE SPECIFIC—

BE NEWSY—

PUT PEP IN THE HEADLINE—

STICK TO FACTS.

"Let the arguments on your tongue's end flow to your pencil's end."

Heir to John Barleycorn

By ALLAN P. AMES

HISTORY does not record the name of the hardy soul who first tried to sell advertising to the purveyor of a public necessity. It is easy to imagine the speed with which he left the dealer's office and the sardonic laughter that rang in his ears.

This attitude, as events move in the business world, belongs to a past generation. Some of the best and most constructive advertising now in the magazines and newspapers is co-operative publicity to promote such public necessities as lumber, sugar, rice and coffee—not any particular kind or brand, but just lumber, sugar, rice and coffee; and not for the benefit of any one dealer or group of dealers, but for the trade as a whole. Inasmuch as the coffee men are the most recent entrants into the field of co-operative advertising, their campaign is likely to reap the benefits of pioneer experience and furnish new hints to later comers.



PHOTO COPYRIGHT UNDERWOOD & UNDERWOOD

Coffee plantation scene, Sao Paulo, Brazil

This campaign is unique because it is international. It is the result of four years of preparation by the coffee planters of the state of Sao Paulo, Brazil, and leading coffee roasters and dealers in the United States. It is the logical outcome of the discovery, by the men who produce coffee and those who market it, that their interests are identical.

Regardless of individual opinions as to the harm or benefits of coffee, the fact remains that it has become firmly established as an American beverage. During the year ending July 1, we imported about 1,100,000,000 pounds of coffee, an average of eleven pounds for every man, woman and child in the United States.

Although coffee probably is too strongly entrenched here ever to lose its popularity, the dealers welcomed a plan of co-operation advanced by the coffee planters of Sao Paulo and agreed to handle a fund of $1,000,000 raised in Sao Paulo for advertising in the United States.

The source of this fund is a tax of 100 reis, about 2½ cents, on every bag of coffee exported from Sao Paulo. This amounts to about one-sixty-sixth of a cent a pound. Beginning last April, barely a month after the contract between the two groups was signed at the Hotel Plaza, New York City, the fund was used to buy space in 306 newspapers in 182 leading cities, and in a number of the leading periodicals and trade papers.

Plans for the campaign were laid on a broad foundation. The fund is handled by a committee appointed by the National Coffee Roasters Association and the green coffee trade, this committee being composed of Ross W. Weir, of New York, chairman; C. H. Stoffregen, of New York, secretary; George S. Wright, of Boston, treasurer; F. J. Ach, of Dayton, Ohio, and William Bayne, Jr., of New York.

Under the name, "Joint Coffee Trade Publicity Committee," this organization is awakening the coffee trade all over the United States to a realization of the benefits to be gained by co-operative publicity. The best proof of the enthusiasm with which the trade is playing the game is the fact that several hundred of the leading coffee roasters and dealers already have contributed a large additional sum to the Brazilian fund and otherwise have shown their desire to co-operate with the South Americans on a fifty-fifty basis.

With the advertising campaign well underway, this committee is now making a systematic effort to interest grocers and all retail dealers to take full advantage of the new opportunities thus created. It has distributed material for the use of salesmen, announcements of the plan of the campaign and portfolios of advance advertising copy, as well as hints to the dealers for window displays and for their own advertising.

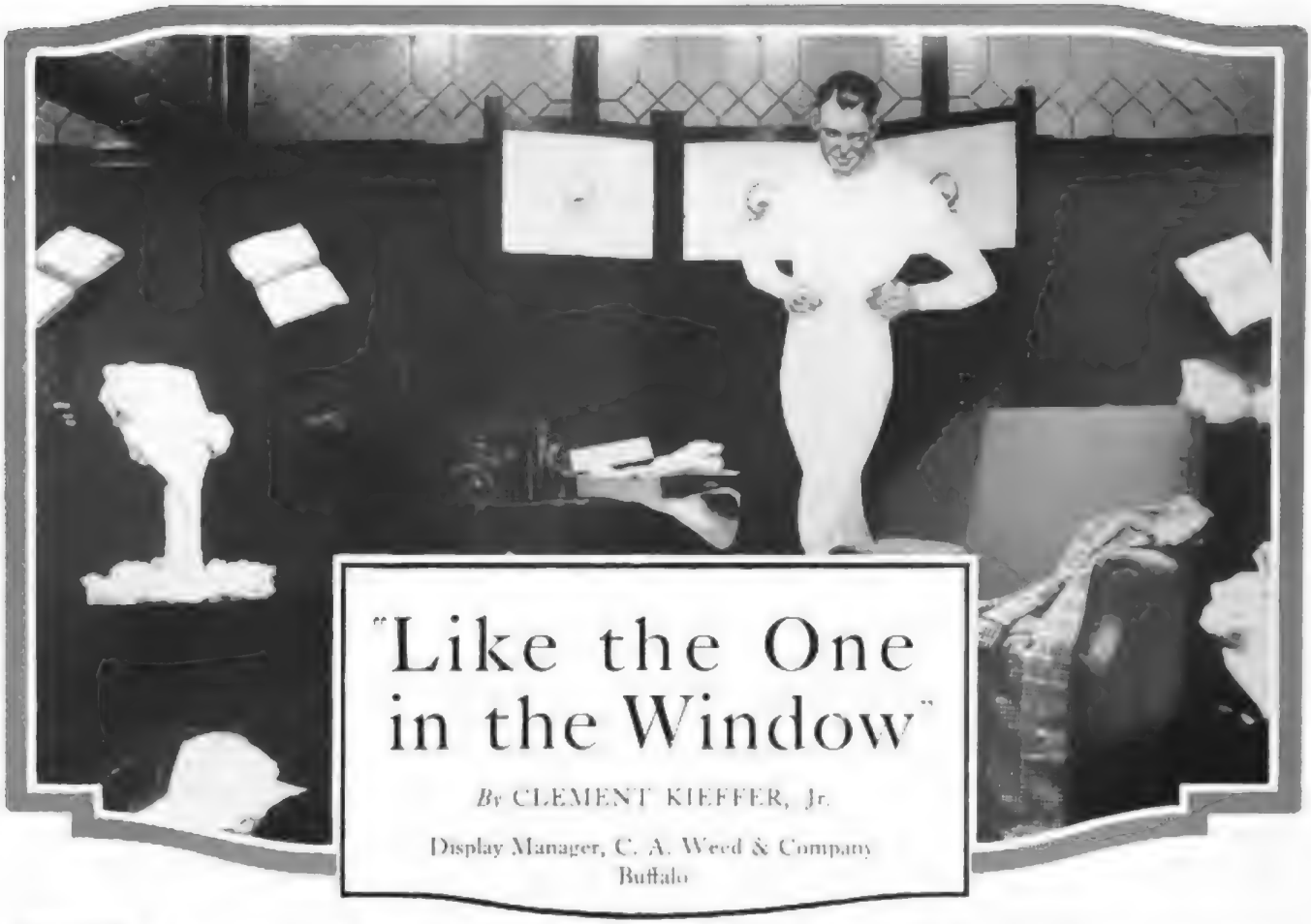
The committee emphasizes the fact that it is not advertising any one brand or growth, any one kind or grade, and that it is up to the individual roaster to hook up his own brand to the national campaign according to the methods he finds most effective in his own territory.

Both the advertising copy and the circulars to the trade call attention to the fact that national prohibition suggests the more extensive use of coffee. The public is being reminded that long before the saloon attained the height of its popularity the coffee house was a popular resort and that famous men of letters and politics used to meet over the coffee cups; that the coffee house embodies all the advantages of sociability offered by the saloon, without the objectionable features.

The dealer is reminded that 3,000,000 soldier boys returning to civilian life have learned to appreciate coffee as never before; that more than 100,000,000 pounds were bought by the war department for our armies during the war, and that the former soldiers will be faithful to the beverage

(Continued on page 54)

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"Like the One in the Window"

By CLEMENT KIEFFER, Jr.

Display Manager, C. A. Weed & Company
Buffalo

RIGHT in your own home town there used to be two little stores on the same street. They carried the same line of merchandise, they both used newspaper space, they had about the same kind of a start. One of them, however, is no longer a little store, but a big prosperous business, while the other is much the same as it was at the start. Ask the average bright woman why she prefers Smith's store to Brown's store and she will answer:

"Why, their windows always look so nice. You just want to go inside."

That is the only objective in planning windows—to encourage the buying impulse. It is not enough that the window shall be attractive. It must have selling value; it must draw the passerby inside and prompt him or her to ask for a washing machine, a shirt or a vacuum bottle "like the one in the window."

Selling value is not created by mere chance. It is the result of careful study, of more than a superficial knowledge of human nature, and of the proper application of certain principles that display managers have learned only by long experience.

Look back a few years and you will recall the day of the wooden model with its stiff form and unbending pose. This same wooden model today is passing along with its old friend, the "window trimmer," displaced by modern window display advertising and the display man whose art it is to display merchandise and enhance its selling qualities by methods of grouping and the aid of attention-catching devices.

To create a window is to develop a potent, silent selling force; whereas "trimming a window" suggests to me a purely decorative attempt which aims at making a store front look pretty. A window trimmer is a sort of glorified house-maid, while a display man is a sales promoter, working along the same lines as an advertising man, but with different tools.

Take as an illustration the lowly $1.50 shirt. Put it in the window on a tee with a conglomorate mass of other haberdashery, and what have you? At best only a $1.50 shirt—perhaps it doesn't even look worth $1.50. But place that same shirt on a form with collar and scarf, perhaps a belt, and links in the cuffs, and neighboring distinctive goods to lend an air of quality, and at once you have a shirt that to those not trained in merchandise values looks worth $5. Isn't the little trouble it takes worth while?

The air of quality I have mentioned depends to some extent upon the decorations, but still more upon the display manager's good taste in selecting merchandise that will harmonize. For instance, it is little short of a crime to display hats in the same window with underwear. The gap is too wide; the American mind, quick to seize upon the incongruous, would visualize a man clad only in a hat and his B. V. D.'s—"all dressed up and no place to go." Yet, in that same window, in which underwear is the principal merchandise displayed, the presence of socks and garters will be considered as no more than appropriate.

This fault of incongruity is by no means uncommon. I am thinking now of a very good window I saw the other day which was spoiled by the presence of a few canes among the underwear. The canes might have been appropriately displayed with hats and gloves, but with underwear, never!

Just as the display man must exercise care in the details that make for harmony, so he must exercise care in those details that make for verisimilitude, the appearance of reality. In one of my recent windows I wanted to show a man trying on a suit of underwear. Of

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course it was necessary that we should feature the trade name of the underwear in a natural way, so a box with its wrapping was placed on the table.

To suggest the idea that my man had just opened the parcel I had the box of underwear wrapped up and left it in its wrappings for two or three days, so that the creases in the paper would become thoroughly set. Then I opened the parcel on the table in the window and left it exactly as my wax man would have done if it had been opened by him. Of course the effect was natural; it couldn't be anything else.

Although a liking for one's work—a heart and soul interest in it—is essential, the window display man cannot rely entirely on his "genius" or his sense of the fitness of things. He must do a lot of studying.

Look at the dome of any large building in your city. Do you know the period of the style of architecture that supports it? You ought to, for an appreciation of architecture will help you in "building" your windows. Do you know the temperature in your window at the hottest hour? You ought to, for some commodities will not stand abnormal heat.

If you lack real knowledge of things beyond the mere fundamental principles of display, say to yourself that you are going to find out—and find out quickly. Get action, and it won't be long before you acquire a working knowledge of those essentials which help to develop window trimmers into display men.

Here is another thing you'll do well to remember if you have thoughts of branching out as a display man: your windows must have the "human interest" worked into them. By "human interest" I mean the little touch of life that appeals to every normal human being's interest in self or species and that so often marks the difference between the good window and the window that fails.

What are human beings most interested in? What is the one appeal that will command their attention?

Of all things, they are most interested in themselves. This may seem an indelicate thing to say, but it is true; and the person who would succeed in window display must recognize it. You may interest or amuse people with other appeals, but to get them to come into your store and pass their money over your counter you must appeal to their selfish interests; you must make it easy for them to imagine themselves possessing and using the thing you want to sell them; show them that it will make them happier, or prettier, or more comfortable.

The successful display man does this quite adroitly. He does not show milady a hat and tell her in so many words that it will make her look more beautiful. That would be crude work. Instead he places the hat in exactly the best possible setting to reveal its beauty, whatever that may be, and lets it whisper gently, "Take me home."

One effective way to appeal to human interest is to visualize "the reason why." The window created according to this principle shows why the particular goods displayed have advantages over others of the same kind. At a convention where I spoke recently a man in the audience asked a question that paved the way for illustrating this idea.

"I am a dealer in electrical supplies," he said. "Can you give me a suggestion as to how you would arrange a window to display coffee percolators?"

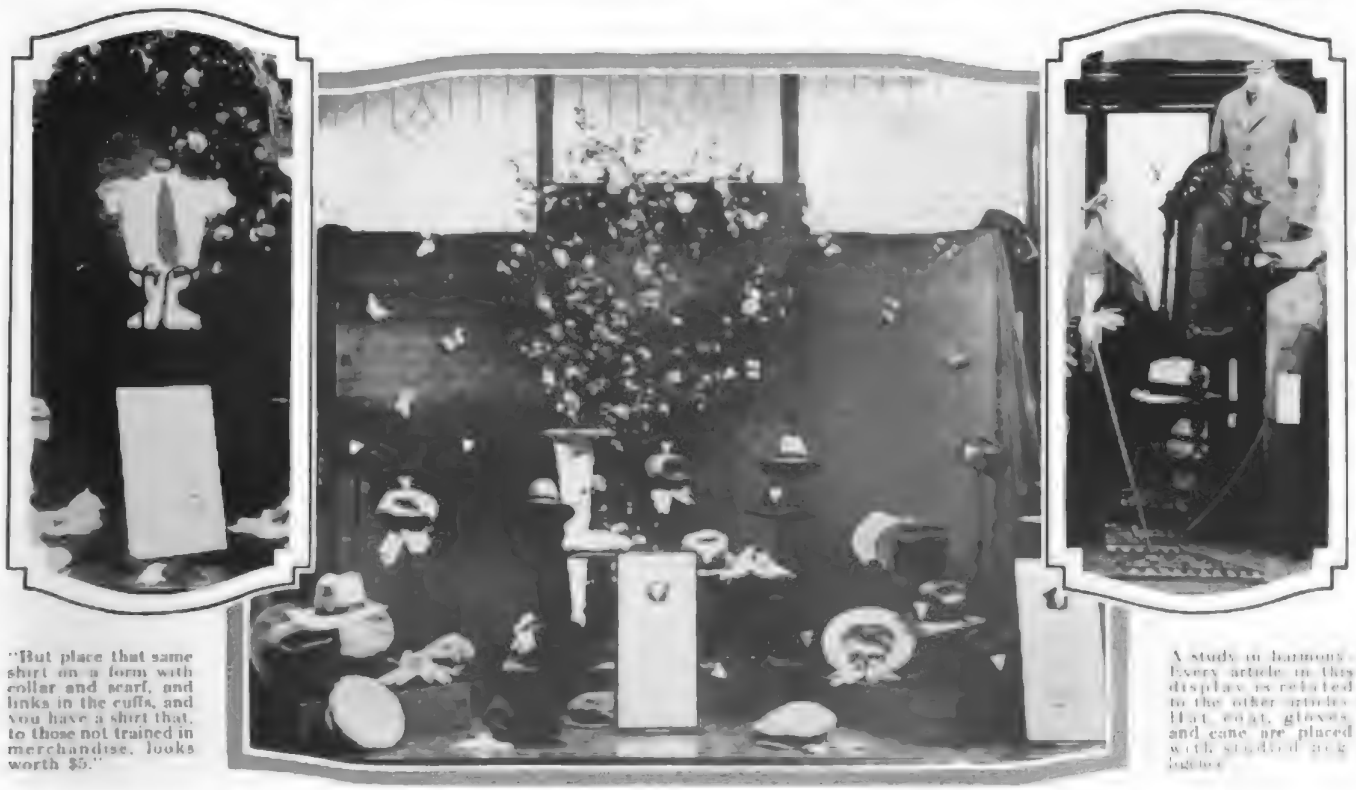
At once I thought of "reason why" appeal. What is there about a high-priced electric percolator that makes it better than the cheaper ones of the same kind? The first thing I thought of was size; it will make more coffee.

But how can this thought be "put across" so that it will burn itself into the mind of the woman who only glances at the window as she passes along, and make her stop and look, and later buy?

A card telling the capacity of the percolator? Very good in its way, but not as an eye-catcher. There must be some idea in the whole window which will flash the message to the person who is passing, and who, by the way, is thinking of anything in the world but coffee percolators.

I told my electrical friend, "First of

(Continued on page 26)



"But place that same shirt on a form with collar and scarf, and links in the cuffs, and you have a shirt that, to those not trained in merchandise, looks worth $5."

A study in harmony. Every article in this display is related to the other articles. Hat, coat, gloves, and cane are placed with studied accuracy.

A display of style leaders in men's hats, caps and gloves

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Getting Under Their Skin

By R. A. BROWN
Advertising Manager, Marshall Field & Company, Chicago

IT IS NO CRIME to be human.

It may even be a mistake to be so dignified that one is stodgy.

To know where to draw the line between "circus stuff" and events of a genuinely human appeal which will "get over" without sacrificing the fruits of more than fifty years' efforts to build up good will, is one of the problems that entails daily study by the advertising bureau of Marshall Field & Company.

We find that anything out of the ordinary appeals to all classes of people. Our greatest objection to the sensational is that it brings in a class which does not ordinarily come here and which, on the whole, it is undesirable to have. By exercising care in wording the advertisements and placing them, we can control, to a satisfactory extent, this vexing problem.



PHOTO COPYRIGHT INTERNATIONAL FILM SERVICE

Miss Margaret Sheldon, originator of the "Doughnuts for Doughboys" idea, serving doughnuts to returned soldiers in Marshall Field & Company's Store

The underlying motive for all these events is of course to arouse an interest that cannot be obtained by straight merchandising and advertising. It is our aim to keep this store head and shoulders above any other in Chicago. Marshall Field & Company has always been an Institution in Chicago. True Chicagoans are continually pointing out to their eastern friends that we in the Middle West have the largest and finest retail store in the world.

To keep that enthusiasm at fever heat we must do more than sell good merchandise. We strive to make the store the center of as many activities as are legitimately our function to serve.

Many of these events transcend the commonplace. The writer saw many in the audience weep during a tribute to our country's flag; he has seen tear-dimmed eyes watch the spraying of thousands of flowers upon the returning soldiers; he has been told of women who, with choking voice, thanked representatives of this store for page newspaper advertisements which were purely patriotic and sentimental in their appeal—we mention all this merely to emphasize the statement that we reach the hearts of intelligent people.

As a consequence, we think we are the best advertised store in the world; advertised by our friends—advertised by means which no money could buy. Credit for this can be given to no one person. It has taken more than half a century to accomplish it. "Good will," they call it.

Now to describe some of the more interesting events by which this good will is created.

For example, there were the "doughnuts for doughboys." Any one who was in service during the recent misunderstanding with Wilhelm; any one who had a friend or relative in the service, or who has read about the soldiers' life, knows of the heroic part played by the Salvation Army and its doughnuts.

We obtained the co-operation of the originator of the "Doughnuts for Doughboys" idea—Miss Margaret Sheldon—and several assistants, and set up in our household utilities section a copy of a typical Salvation Army hut. We announced that doughnuts would be served in trench style. In two and one-half days 10,000 doughnuts were served—one to a person. Hundreds of customers who would not otherwise have heard of this household utilities section came up to the ninth floor to get acquainted.

To have seen some of these "reunions" of doughboys who had met these same Salvation Army lassies under more trying conditions was worth all the trouble and all the expense. Again, you get the idea—"getting under the skin" by means of a "stunt" not commercial.

When the Prairie Division came home from France people from all parts of the Central West came to Chicago to witness the three parades of the three sections.

Most of the buildings along the line of march were decorated—the important State Street store quite elaborately. Besides the beautiful arrangement of flags and bunting which we exhibited, our service flag of 1,856 stars and our United States flag, 50 feet by 150 feet, suspended between the buildings from the ninth floor, made quite an impression.

Then came the typical Marshall Field & Company stunt—"Just like Field's to do something different" is a common expression in Chicago.

By means of a specially constructed apparatus, a large canvas-lined ball, decorated with the Prairie Division insignia and filled with freshly-cut flowers, was drawn out on a rope, ten floors above the marching troops. As the leaders marched beneath, the flowers were slowly shaken out of the ball and sprayed upon their heads. Tears sprang to the eyes of thousands of spectators and marchers as the flowers floated down. As unit after unit passed, the performance was repeated. On one day this feature required as many as 20,000 flowers.

More than one hysterical woman rushed into the store on this occasion, embraced floormen and thanked them for the wonderful tribute to the veterans. Although the examples of excessive emotion were few, we hope they show that this was another time we reached beyond the limited realm in which cold commerce is supposed to confine its efforts.

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Just before last Easter we held a three days' series of festivities for the children. We had story-telling hours in the book section; talks on birds in the bird-house section; special gifts, including books and bunnies, for infants in the infants' wear section; we gave away 20,000 barbies in the boys' clothing section; 10,000 doll hats in the millinery section; short lengths of ribbon suitable for dolls' dresses in the ribbon section, and served gingerbread bunnies in the tea room.

We estimated that during these three days 25,000 children visited the store. We are reasonably sure that hundreds of young minds were indelibly impressed with the memories of a visit to "Field's."

Following are some of the other events which proved to be popular:

On Flag Day for each of the last two years Dr. Cigrand, president of the American Flag Day Association, and the greatest authority on the history, customs and laws of our flag, has delivered a speech in our State Street rotunda. Marines and sailors have given the salute. Our Choral Society has sung.

In the household utilities section we set up "The Bride's Aisle." This consisted of elaborate arrangements of merchandise suitable for the bride's kitchen, pantry and laundry. Special sets were featured.

In our Oriental rug exhibit we displayed the Ballard collection from St. Louis.

We introduced a batik exhibit, which illustrated the processes of batik work, the material and the completed articles. Prize pieces were obtained from the Art Alliance of New York.

In a specially constructed room we set up an Oriental bazaar, comprising a great collection of art ware selected in the Orient by our representatives. Every year we redecorate and refurnish our twenty-nine model rooms in the furniture section. Many settings are sold complete.

We have public lectures on such subjects as domestic science, gardening, dressmaking, birds, flowers and stars. Then, too, there are the story-telling hours.

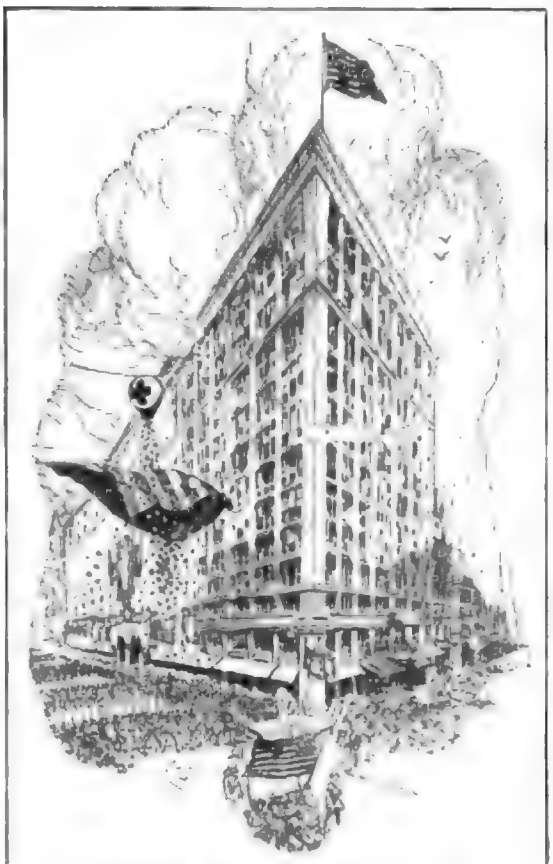
In the boys' clothing section, Sid Smith, creator of "Doc Yak" and "The Gumps" for the *Chicago Tribune*, gave boys a "chalk talk" on the work of the cartoonist.

Another feature that proved popular with boys was a demonstration by Cicotte and Schalk, the White Sox battery, who "warmed up" and explained various tricks of baseball.

All these "stunts" require time and enthusiastic effort. Every department of the business must co-operate.

The successful operation of such events, however, means an increased spirit of helpfulness within the organization.

The effects beyond immediate sales are far-reaching—but no one should attempt them unless he is willing to extend himself to the limit and spare no reasonable expense to get the setting right. Halfway measures are worse than none.



Reproduction of Marshall Field & Company advertisement on the day of the parade for the Prairie Division

Bundles We Almost Like to Carry

MEN *DO NOT* like to carry bundles. If bundles could be made less conspicuous the average man would be pleased. That was the thought that occurred to a New York dealer in men's hats.

What could be done? The size of the bundle which a man's hat can be carried is determined by the size of the hat. The size can not be reduced. But the bundle can be changed, so that's what this dealer did; he obtained black bags. The average man wears dark clothes, and the black bag seems less conspicuous. As a result men like to trade there. Not that they would deal there solely because of the black bag, but it is one of the details that make them like that store.

Even so small a thing as the way packages are wrapped may make or lose profits, as many a store has learned by experience. In a city of the Middle West there is a candy store which for many years has advertised the high quality of its sweets. For most of this time it has used a blue paper of distinctive shade for wrapping its boxes.

The lad who buys a box of candy from this dealer finds greater pleasure in the act, because almost every girl will recognize the package before the box is unwrapped and will comment favorably, by word or expression, upon the fact that the candy came from that store. She does not say, "A box of candy!" No, indeed; she exclaims, "A box of Craig's!"

A paper salesman once told a dealer in high grade shoes that it would be a good thing for him to adopt a paper of quite distinctive character, and convinced him that the proper thing was a checkered paper. The salesman was only half right. He was right when he reasoned that the average person would be proud to be seen with a package from that store. The checkered paper, however, was too garish. People complained when they had to carry the packages, and the management observed an alarming increase in the number of requests for deliveries.

The same idea was applied with greater success by a department store that used wrapping paper in two tones of brown. It was distinctive without being "loud." The quality effect was further enhanced by the fact that the store's name appeared nowhere on the package, but only an artistic monogram in brown ink. Bundles from that store are cheerfully carried.

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The Jeweler and the War Tax

By ALBERT S. SAMUELS
Samuels Jewelry Company, San Francisco

ON APRIL 1, 1919, it became the duty of all jewelers in this country to collect a tax of 5 per cent on practically everything they sold. During that first month of April there was much debate and no little perplexity over the method to be adopted for collecting this tax. While the debate was in progress many merchants elected to absorb the tax, simply paying the government 5 per cent of their April sales.

But on May 1 most merchants put into operation one or the other of two suggested plans. One group held that all goods should be marked at a higher figure to include the tax, and it is probable that most jewelers adopted this method. The other group adopted the system of adding a straight 5 per cent upon each individual sale.

It was argued by the first group that an advance in prices which would include the tax would work most smoothly, because the customer's attention would not then be drawn to the fact that he was paying a tax. They believed that the buying of jewelry would be retarded and discouraged if the public was frequently reminded of this additional burden on its already heavily loaded shoulders.

The second group replied that an advance in prices would merely operate as a camouflage; that the public must inevitably discover that a tax was included; that this method entailed the collection of a tax upon a tax, and that the method was unsound and intended to deceive. They pointed out that the addition of $5 to the price of a $100 diamond required the payment of a tax of $5.25, whereas only $5 was required if the price were not advanced and the tax were collected separately. They held that this was unfair to the consumer and extravagant all around.

In our store we held with this second group and frankly asked our patrons to pay an exact 5 per cent in addition to the purchase price of the article. Our goods were not marked up; when a customer asked the price of a diamond ring we answered in this way: "The price of the ring is $100 and the tax is $5, making a total of $105." We have had no trouble in collecting the tax; we have had practically no arguments over the matter, and best of all, we have suffered no loss of business. On the contrary, our sales for the month of May, 1919, increased 105 per cent, exclusive of the tax, over those for May, 1918.

The difference in the practical operation of the two systems is illustrated by the following incident: A woman came into our store and bought a nationally advertised watch, the price of which is fixed by the manufacturer at $50. She paid this amount, plus $2.50 for the tax. After receiving her change she said, "Well, I saved $2.50, anyhow." She then told us that one of our competitors down the street had asked $55 for the same watch and had told her there was no war tax to pay. He, apparently, had followed the original plan and had advanced his price to include the tax, incidentally adding a couple of dollars for good measure.

If we may judge from present indications, the tax will be repealed. All over the country has gone up a great hue and cry in which retailers have deluged members of Congress with protests. In this propaganda we did not join. The tax may be unsound and unjust; it is not for us to go into the arguments for and against it. But on principle we object to the prevalent custom of influencing legislation by organized propaganda on the part of trade groups.

It seems fair to suppose that a Congressional committee that has given months of detailed study to the subject of revenue and taxation, looking at it from all angles, with the interests of all the people in mind, is better fitted to frame a revenue law than a group of jewelers or representatives of any trade who, admittedly, are influenced largely by the interests of their particular business.

The matter of equitable taxation is, perhaps, the most complicated and difficult problem in economics. To attempt to influence legislation concerning it, without carefully contemplating all the interests at stake, is, to say the least, presumptuous. It is more—it is unpatriotic.

Business groups have been entirely too active in bringing pressure to bear upon the representatives of the people. We do not give our Congressmen a chance to decide the question upon its merits. We worry them and intimidate them while the masses, outnumbering us by a hundred million, unorganized, little effected individually but enormously as a whole, remain silent and permit us to have our way. The moment legislation is proposed which we consider inimical to our interests, regardless of its beneficial effect upon the country at large, we swamp our Congressmen with a flood of stereotyped telegrams in protest. From the headquarters of our association the order goes out, "Wire your Congressman." And we wire—regardless of whether we ever heard of the proposed measure or not.

A few years ago country merchants went into a frenzy in their opposition to the proposed parcel post law. "It will drive us out of business; it will permit the city mail-order houses to strangle us," was the cry. But the parcel post was established—and the country is still prospering. The protesting merchant might have saved his breath had he looked at the question from the viewpoint of the best interest of the masses instead of from his own selfish viewpoint. If proposed legislation appears to be for the good of the country generally, it is a waste of time to oppose it. Sooner or later, right always prevails.

In the present instance I see no particular objection to the collection of a 5 per cent tax on jewelry sales. It is not hurting business, and the people are paying the tax. Somewhere the government must obtain revenue. We've got Liberty Bonds to retire and interest to pay. Where shall we get the money?

To my mind the campaign waged in 1918 for "Business as Usual" was one of the most short-sighted and unpatriotic I have ever witnessed. Among those active in this campaign were the jewelers' associations. Many business men failed utterly to grasp the meaning of the treasury department's appeal to the people to save, to reduce their buying, to confine themselves to necessities and to give up luxuries. They said, "How can we buy Liberty Bonds if we don't do business?"

They overlooked the fact that what was wanted, even more than money, was labor and materials. They forgot that production in the country was limited, and that the labor and material that went into producing luxuries was just that much labor and material denied for the use of the government in equipping our forces.

It is a good thing for business men to remember that they will fare better in the long run if our laws are made in the interests of the masses. What benefits the whole population is reflected in all lines of legitimate business

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Master of Psychology—and Pies

By W. T. NELSON



IN 1912, just seven years ago, Charles Pomerantz had $300, five years' experience as a salesman for a cereal company, and a firm belief that he could make good in one of the most difficult and hazardous of commercial occupations—the operation of a delicatessen store.

Today

Well, wander down the south side of Chestnut Street, in Philadelphia, and try not to stop before a large window filled almost to overflowing with cakes and pastries, candies and olives and tempting smoked meats, pies that make your mouth water, and salads topped with golden yellow mayonnaise.

In the first place the window will attract you by reason of the dozen or more people who are always in front of it admiring the display and wondering which of the delicacies the family will most enjoy. Then, when you have edged your way in, you will see so many things you want that you just can't resist the temptation to enter the store, which you will find one of the handsomest in the East, extending through the entire block, with an eat-off-the-arm-of-a-chair lunch in the rear and a cafeteria, as well as a service lunchroom, in the middle of the store.

When you realize that all this sprang from a meager $300—taking only seven years to spring, at that—you naturally want to know, "How did he do it?"

Suppose we let Mr. Pomerantz himself tell that part of the story:

"When I opened this store in the middle of 1918 some 4,000 people bought things on the very first day, which was quite a contrast to my first day in business for myself, six years before. Then, with nothing but $300 I had saved, plus a firm conviction that I could make a success of a first-class delicatessen, Mrs. Pomerantz and I started a little store on Chester Avenue, out in the residence part of West Philadelphia.

"The fact that we were flanked on either side by cut-price grocery stores didn't help us a bit. In fact, during the first week we sold scarcely a thing. People would come to the stores above and below us, but mighty few of them appeared even to know we were there. Therefore I made up my mind to make them realize our presence. I say 'our,' for Mrs. Pomerantz had a great deal to do with the success of the business, and her ability for cooking and preparing dainty dishes ought really to be added to any statement of the capital we had at that time.

"Of course, the obvious thing to do was to advertise. But my capital was limited, to say the least, and I had sunk the greater portion of my money in stock, fixtures and rent, so I didn't have enough left to finance much of an advertising campaign. I was obliged to resort to the most primitive form of publicity—circulars distributed from door to door. Who did the distributing? I did, for that was the only way I could be certain that they reached the proper persons. Besides, that gave me an excuse to tell the housekeeper personally about the stock I carried. I even trundled a push-cart delivery wagon through the neighborhood because I didn't feel that I could afford to pay a boy.

"From the very first day the store opened I made a specialty of service. It was a fetish with me and I never have had reason to believe that it doesn't pay. I don't mean uniformed attendants, monogrammed wrapping paper and highly decorated delivery wagons, but the kind of service that recognizes what the customer wants and sees that he gets it.

"I realized, for example, that many persons will pick over a dish of pickles to find a pickled onion, while others are just as fond of pickled cauliflower or tripe. So I specialized in separate kinds of pickles, and from four varieties my stock grew to more than thirty. Every bowl was plainly marked with a little sign, giving the variety and the price in the most popular purchase unit. The cards didn't say that the onions were sixty cents a quart; they were marked at 'Fifteen cents a half-pint,' and the same idea was used all down the line.

"That's a part of the psychology of

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buying that many a grocer overlooks. In many stores you will find Roquefort cheese labeled at 'One dollar a pound,' or even higher these days. But who wants a pound of Roquefort cheese? Certainly not the average customer—the woman for whom you are running your store. They usually want a quarter pound; and for some strange reason they won't object to paying 25 cents for that quarter pound when they are frightened by the statement that a pound costs a dollar.

"That's the reason that you will find, at Pomerantz', an appetizing quarter of a cheese, displaying all the tempting green, and plainly marked, 'Creamy Roquefort—Twenty-five Cents a Quarter Pound.' And the proof that this is the right method lies in the fact that we sell six cheeses to every one sold by the average grocery or delicatessen. At least, that's what jobbers tell me.

"The same principle applies to all the other perishable lines—salads, pies, cakes and sliced meats. Tongue, for example, gets stale and unpalatable very quickly if you slice it and allow it to remain on the counter. The average store in Philadelphia sells about one tongue a week and the people who buy the last half of it are very likely to be entirely dissatisfied. In my West Philadelphia store I averaged about seven a week. Here I am selling close to twenty-five, because each tongue is plainly labeled with the price per quarter-pound, the average purchase unit.

"This matter of placing plain labels on food is a most important one, apart from the matter of price itself, as I learned not long ago. One of my girls had stuffed two dozen tomatoes with chicken salad and had placed them in the window, accompanied by a card reading, 'Stuffed Tomatoes—25 cents each.' At 4:30 that afternoon there were still twenty-four tomatoes in the window. So I changed the sign to 'Tomatoes Stuffed with Chicken Salad—25 cents each,' and at 6 o'clock there wasn't one left. The addition of three words to the card had made all the difference, for the passersby could not see what the tomatoes were stuffed with and they naturally did not wish to pay a quarter to find out. Once they were told, they bought!

"You have to give the people what they want and in the way they want it. You have to pay attention to the quantities they are used to buying and to base your price on these quantities, rather than on the accepted scales of commercial measurement. Suppose a coal dealer in a well-to-do section of town advertised that he sold coal at ten cents a bag. Would he do any business? No more than the dealer who announced, in a very poor part of the city, that his coal was for sale at $10 a ton.

"More than that, you have to have signs—informative signs, appetizing signs, readable signs—everywhere. You have to keep your displays appealing and change them as frequently as possible. You have to make rapid turnovers of stock; mine average two a month throughout the store. And you have to keep down your 'shelf ornaments,' your slackers that look pleasant but don't do any work. Every piece of merchandise that comes into this store has to earn its living, which is one reason that I like to handle advertised goods. The manufacturers have done most of the work for me before I even stock their products. Moreover, I know that if any of their branded goods do not give satisfaction I can return the patron's money with the knowledge that I, in turn, will get it back.

"Since opening my first store, I have operated five other similar establishments. This is the sixth that has sprung from that original $300 and, while I sold the other five at good profits, I'm going to hold on to this one.

"It's not always easy to find them, but once you make up your mind to observe the wishes and cater to the desires of your average customer you'll come pretty close to succeeding."

"Like the One in the Window"

(Continued from page 21)

all, set an attractive breakfast table." Why? Simply to give the percolator a natural setting—to inject "human interest." The woman who buys an expensive percolator takes a pride in her breakfast table; is interested in breakfast tables in general. Just as soon as you show her a breakfast table you are speaking to her in her own language.

"On this table," I continued, "put real linen, real silver, real china. Make it suggest quality and good taste. Put in an electric toaster, with a plate of real nut-brown toast beside it—not slabs of imitation toast, but the real thing that makes you want to eat it. Then get down to the serious business of selling percolators by displaying the large percolator, and by displaying also, grouped around it, nine full cups of clear, brown coffee.

"Then it is time for your show card to do its work. Have it announce in clear-cut, attractive lettering that this percolator makes nine full cups of coffee."

I have gone to some length into the answer I gave this question because the case illustrates alike the principle of harmony and the principle of the appeal to human interest. Everything I have mentioned has a natural place on the breakfast table; but think what a joke the window would become if the retailer, in his zeal to sell other electrical household supplies, had placed in the foreground a vacuum cleaner!

It is only natural to want to show as many pieces of your stock as you can, but the number and range of articles displayed must be governed by common sense. There would be no objection to this man adding an attractive table lamp to the display, but he must forget about his electric washing machines and his electric curlers.

I have heard many display men in small stores say:

"It's all right for you fellows to talk about harmonious effects when you are able to get all the fixtures you want, and unlimited money to make your windows attractive; but what would you do if you were in my place and had to make up your fixtures out of soap boxes and any old lumber you could find, crepe paper, cheese cloth, and what not?"

These are the very men who should be encouraged to put art into their windows, for art is the least expensive thing in the world when one has trained himself to know and practice it.

These men are working against awful odds, but they can win out with a little courage and patience. Good fixtures lend the display man more ideas than the merchandise, and with good fixtures he can take the same shirt or suit and make it look many times better. He can manipulate his display so it will actually sell shirts, scarfs or whatever is displayed, and that is what his employer wants.

If my employer limited the equipment I had to work with, I would make it my business to "sell" him on the value of good fixtures. I would not spend my time weeping over my inability to do good work. Almost any business man will listen to reason. He is ready to do almost anything short of grand larceny to get more money. If you can convince him that by laying in a proper supply of fixtures you will increase his sales he will be glad to buy them.

It just simmers down to a question of how good a salesman you are. If I were in the position of one of these unfortunate display men, I would go to my employer and say:

"Mr. Blank, you pay me my salary to make your windows so attractive

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hat people will come into your store nd buy. If I succeed in doing this, ou make a profit on the money you ave invested in my salary. If I fail, ou are giving me money for nothing. he fact that you employ me to do is work proves that you realize that indow display is worth while.

"Now look at Smith and Company's indow down the street. It is attract- g more attention than ours twice er, isn't it? Why? Because they elieve in using modern window fix- res and spend the money necessary get them. If you give me the tures I can make our windows as ttractive as theirs. Don't you believe e improvement in the windows ould bring more buyers into the store? course it would. Now don't you eally think we are making a mistake in tting a few dollars stand in the way of tting that business?"

Few merchants will fail to see the nt.

Unmasking the Dealers

Inquiry which has been made by the National Vigilance Committee of the Associated Advertising Clubs, as to the ethods employed by newspapers to keep their classified advertising col- ns free from objectionable copy, has rought to light an interesting plan hich the *Kansas City Star* uses to guard against the publication of adver- isements of "gyp" dealers—that is, dealers masquerading as householders ho are selling out.

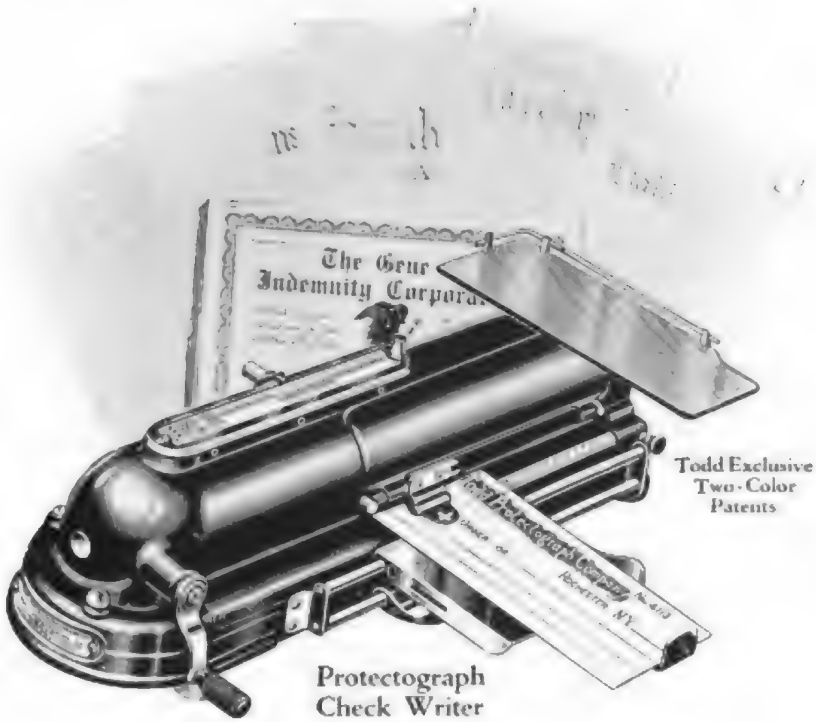
That paper, says a bulletin from the Association, requires each collector to eport at once if he is sent to the same ouse two or three times in succession to collect for classified advertisements.

Following such a report, the adver- isements inserted by the advertiser re examined, and if it appears that he is a dealer attempting to camouflage as a private householder, the paper insists that he shall either add the word "dealer" to his announcements, or discontinue the use of space.

The experience of local vigilance committees indicates that the adver- isements of "gyp" dealers, in various ays, are often deceptive not only as to the identity of the advertiser, but in other respects as well.

Pity the Weak

The classic sign, "Don't shoot the ianist; he's doing the best he can," hich hung over the piano in a western dance hall in pioneer days, is rivaled by placard in a Kansas City restaurant: "Don't make fun of our coffee. You may be old and weak yourself ome day."



Todd Exclusive Two-Color Patents

Protectograph Check Writer
$45—$50—$75
9 other models and prices

Todd Check Forgery Policy
Insures All Your Other Insurance

(Todd Pays the Premium)

Todd Forgery Policy is an iron-clad Insurance Policy covering all forms of check fraud that affect the signer of a check.

Like all other insurance, you need it only for protection "in case of emergency." No bigger emergency ever faces the average business man than to find his bank account suddenly and mysteriously overdrawn, his funds for current expenses wiped out, his credit impaired, because someone has tampered with his checks.

Twenty years of complete security has proven that the safe way to draw checks is with

TODD
Protectograph System

which is backed by the Todd Forgery Policy issued under the rigid Insurance Laws of New York State. Todd pays the premiums as a guarantee of its product and evidence of faith that it is Complete Protection. The System consists of (a) Protol chemical-fibre, forgery proof checks, each one registered and safeguarded like a Government bank note and (b) the Protectograph Check Writer with its famous Two-Color shredded amount line.

EXACTLY FIFTY ONE DOLLARS SIX CENTS

Written and protected in two colors exact to the penny. A complete word to each stroke of the handle. There are 750,000 Protectographs in use, all bearing the Todd name and guarantee of satisfaction

Mail this coupon for a book showing exactly how business men are swindled. Written in State Prison by a famous check-raiser. This "Scratcher" book is *confidential*, for responsible business men only, so be sure to enclose your business letterhead with the coupon

TODD PROTECTOGRAPH CO.
(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices. Sales and Service Branches in 100 cities throughout the World.

1179 University Avenue, Rochester, N. Y.

"Scratcher" The Forger
His Book
(Written in State Prison)

FREE, please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name _____
(enclose your business card or letterhead)

TODD PROTECTOGRAPH CO., Rochester, N. Y.
BM 11-19

ADVERTISING SECTION

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"All Set"

THERE was a time when *making up the payroll* was a job nobody wanted. Just routine work, not requiring skill, yet the detail was annoying and mistakes almost inevitable.

The last objection to pay day has been swept away, together with all chance of making errors, by the BRANDT AUTOMATIC CASHIER.

This little machine makes payroll assembling a pleasure rather than an irritation. It also does away with the endless arguments occasioned by slight errors.

Press *one key*—and the correct change falls into the envelope. You don't have to think twice, or even look at the amount. It's correct! A mistake is mechanically impossible. Nothing to get out of order. Guaranteed for ten years—it lasts thirty.

Fill in the attached coupon. It will pay dividends in satisfaction.

BRANDT MANUFACTURING COMPANY

WATERTOWN WISCONSIN

Representatives in all principal cities

Please send booklet describing Brandt Automatic Cashier, with names of users in this vicinity.

BRANDT MFG. CO.
Watertown Wis

He Got It by Reaching

(Continued from page 13)

The cost of the best class of slides is about $1.25 each, and to Jensen the $50 a month he paid for the service seemed at first pretty high. Jensen reasoned, however, that what counts is not what you pay for a thing, but what you get back.

It wasn't long before the investment was justified by results. Business began coming in from remote parts of the city, and now Jensen keeps three boys busy promptly delivering "urgent" prescriptions, remedies, toilet goods, candy, ice cream, and goodness knows what all. In addition, he has four extra boys who deliver from 3 until 10 p. m., the hour at which drug stores close in Butte.

Considering the way Jensen has increased his business, the screen advertising in motion picture theaters has been cheap. Not only do men, women and children from all parts of the city phone to Jensen, but many of these people come to the store to buy. It has brought trade from parts of the city from which trade was least expected.

Besides a corps of delivery boys, Jensen now employs two chemists and four salesmen on the floor. So fast has the business grown that the proprietor recently bought the corner opposite and is remodeling the building that stands thereon and enlarging it to three times its present capacity.

Then he'll move and be able to care for a business that is already much too big for his present quarters. In fact, what used to be just an ordinary little neighborhood drug store is now widely known as "Jensen's—where everybody goes."

It Brings in Trade

During the greater part of the year thousands of people go to Seattle daily by boat from other places on Puget Sound.

Recognizing that many of these people go to Seattle to shop, the Frederick & Nelson department store got a limousine, fitted it up with luxurious seats and attractive fixtures, and put it on the job of meeting incoming boats. People just arriving learn of the chance to ride uptown from a sign that reads "To Frederick & Nelson's, 5 cents."

All day long the car is kept busy conveying people from the piers to the store. Incidentally, the nickel fares go a long way towards paying the chauffeur's salary and the upkeep of the limousine.

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Do They Know Your Goods?

(Continued from page 10)

Another way to bring usable and useful information to the sales force would be the establishment of a sort of store museum or exhibit. This could be placed in one or more glass cases, located where employees gather, or, perhaps better, where the public also might see them. Such displays should be changed at least once a week, so they will not grow stale.

At one time they might show stages of manufacture of some product, perhaps photographs of it in the making, etc., secured from the manufacturer. At another time, they might illustrate some idea found in the merchandise for that season. For example, if Japanese types of decoration or ornament are in evidence, or styles in women's garments from the Middle Ages are popular, then the display would show pictures of originals, perhaps books opened to illustrate some points, possibly dolls dressed in these styles, or original garments to show in what respects the present mode follows what it is adapted from.

For instance, the patterns obtained by the batik method of "resist-dyeing" practised for centuries in Java have come into vogue in the past few years, and are now gaining a market on a large commercial scale, both as original hand-dyed fabrics and garments, and as printed imitations of this method. In many cities it is easy to find artists who are doing this work, and they would gladly supply specimens, in various stages of completion, to show the process clearly. What better way to give salespeople a perfect picture, easily remembered and described, of how it is done?

Cards or labels on these exhibits would give complete explanations.

In almost any town, officials of public museums, schools or libraries would gladly co-operate in preparing such displays.

In conclusion, I should like to emphasize one point. Wherever and whenever you can, let the salespeople gather and exchange the information they obtain, whether it is from trade papers, newspapers, magazines, library, exhibits, or from any other source.

Talks are good, displays are good, reading is good.

All these things help to impress upon our salespeople the points of interest in the merchandise, and are of value in helping to sell it well.

But best of all is the doing of some work in connection with it.

It is important to learn: it is more important to digest: it is still more important to remember and use.

We may forget what we are told, or what we see, or what we read but it is much easier to digest and to remember facts that we find out for ourselves, and that we are able to tell to others.

For that reason I urge that salespeople be encouraged to dig out all the facts they can, and pass them on to each other; that they repeat or write about what they see and read.

This crystallizes their own ideas; it makes what they learn very definite in their own minds; and it leads to their using valuable data to the end of interesting and impressing customers, making the selling work more interesting and effective, and giving the store itself an enormous advantage in prestige and business.

He Stopped the Leak

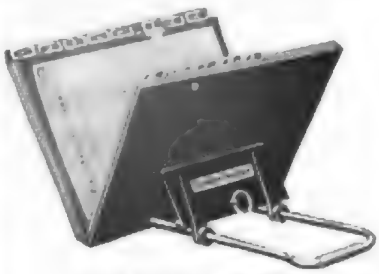
An old charge customer of Ditter Brothers, of Yakima, Washington, owed the store $15 on account. A day or two after her statement was mailed to her she came in, bought $15 worth of merchandise and paid for it by check.

On the first of the following month the store sent her another statement for the $15 still due on account. To the surprise of the credit manager, the woman appeared a few days later and said she had already paid the bill. In support of her claim, she showed a canceled check for $15, payable to Ditter Brothers.

The credit manager had his own suspicions—suspicions which were confirmed by looking up the duplicate sales slips. Nevertheless, he had no proof that the $15 had been tendered in payment for the new merchandise, and not on the old account. He had to do what many a merchant has been compelled to do in similar circumstances—grin and bear the loss.

Inasmuch as the store had been duped in this way once before, the credit manager decided to prevent such losses in future. So he got a stamp bearing the words, "Received on Account." All checks tendered in payment on account are now stamped with these words—whenever possible, before the customer.

Hence the store can point out that any check not bearing this stamp was tendered in payment for new merchandise and not on account. The system isn't infallible, of course, but most of Ditter Brothers' customers know of the practice and knowledge of it exerts a wholesome moral effect on possible deadbeats. At any rate, the store has suffered no losses of this kind since the stamp was bought and applied.



INSTANT REFERENCE FILE

FOR

Letters, Invoices, Requisitions, Back Orders, Follow-ups, Bills of Lading, Stock Sheets, Ledger Sheets for posting, or any other matter needing classification—alphabetical or numerical. Handles all *Current Papers* so they may be located *Instantly.* Made in all sizes and indexed as desired.

Desk Files and Card Systems
that save Time and Space.

Portable *Sectional*

THE KOHLHAAS COMPANY
Manufacturers
Lake and Dearborn Streets Chicago
Detailed information on request.

Can We Serve You?

BETWEEN business stationery and literature consistently related in style by an unmistakable individuality and that which follows no general scheme of co-ordinated appearance, the gulf is as great as it is between an AAA-1 firm and an M-4 firm.

Between the finest paper and the poorest, between the richest execution and indifferent, there is not enough difference in cost to be insensible of the distinction conferred by quality.

The point is: it's effect, not cost, that should be considered. May we prove it?

The Edwards & Franklin Co.

Steel and Copper Plate Engravers, Lithographers
Printers, Blank Book Makers

Youngstown, Ohio

Members Typotheræ since 1912

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his, so he felt he must give each of them a little business.

About twice a month each paper would print his advertisement, occupying a quarter of a column, which stated that he carried at all times a full line of jewelry and silverware, and that he made a specialty of repairing. This jeweler was also a good customer for the sellers of spontaneous advertising. Acting on his theory that advertising is mainly for the purpose of bribing the solicitor to recommend customers to one's store, he took small space in all mediums, ranging from the Street Railway Employees' Annual Picnic program to the African M. E. Church hymnal. And he was the first merchant in town to sign up with the polished stranger who placed large thermometers in various public places and sold advertising space around them, so that citizens might study the temperature and at the same time learn where to trade.

As may be surmised, $500 worth of this kind of advertising did not get the merchant very far. He kept it up for a year or two, and then, deciding that advertising was no good, discontinued it in every form. But, like the kaiser, he found it was harder to quit than to start. The Labor Day program committee, thus ruthlessly cut off from its annual $5 ad., threatened him with the loss of all the labor trade in the city, and the Tuesday Musical Club passed an indignant resolution pledging the members not to deal with any merchant who discontinued his advertisement in the club's year book without good reason.

The other jeweler made a better start. Fortunately for him, he was not on speaking terms with the business manager of the evening paper on account of a previous fist fight and so was not bothered by solicitors from that office. He had stamina enough to turn down the salesmen for amateur advertising mediums. When actually cornered by a committee of his own customers, he had quite a knack of effecting a compromise by saying that he deeply realized the need of a new carpet on the lodge room floor, but he never advertised in programs, and so would just make a $5 donation instead of taking the $10 advertisement. Then he charged the expense up to charity, where it belonged, instead of advertising, where it did not belong.

And so this jeweler was free to spend all of his $500 in one medium, which, through force of circumstances, was the morning newspaper. The solicitor for the paper was a wise man who thought he saw future possibilities and took a personal interest in the jeweler's publicity.

When his advertising first began to appear, the jeweler was besieged with offers from professional writers who wanted to prepare his copy for him. But the newspaper man argued him out of it. "Learn to write your own stuff," he pleaded. "Probably it won't be quite so smooth and polished as the work of professional writers, but it will convey a truer idea of the facts. When you yourself write an ad. about a special $32.50 wrist watch, you will not say that it is a Creation of Surpassing Beauty and a Fit Ornament for a



The Tuesday Musical Club passed an indignant resolution pledging the members not to deal with any merchant who discontinued his advertisement in the club's year book without good reason.

Shapely Arm, as the professional writer might. Not knowing how to write beautiful phrases, you will simply tell the public that the watch is solid gold, has fifteen jewels and is guaranteed to run within two minutes a week.

"You will not know it, but that is what experts call linking up your publicity with the policy of your store. You would never stand behind your counter and talk about surpassing beauty and shapely arms, when you were trying to sell a wrist watch. You would talk about how close the watch would keep time, and why the fifteen jewels make it more durable. And so, when the customer is brought into your store by the newspaper advertisement, the oral argument is along the same lines as the printed one.

"When your business grows so that you can afford to employ an advertising man, then you can safely relinquish the job yourself. But it is poor policy to have some one write your advertisements who is not really a member of your organization and in touch with every intimate detail of the business."

Possibly the newspaper man was killing two birds with one stone in giving this good advice. He knew how much more interest the jeweler would take in his advertising if he wrote it himself. No merchant is going to count too closely the cost when he can get up early on a Sunday morning, slip out in the front yard in bath robe and slippers to get the paper, and spreading it out on the dining room table, pore over his pretty quarter page ad., reflecting at the same time that he wrote every word of it, and that 30,000 people will read it that very morning.

It was not long before the jeweler began to see results from his advertising. Of course he could not use large space on his limited appropriation; in fact, during the first year his regular space was only half a column twice a week. But a great deal may be put into half a column when one's heart is in the work. He did not waste an inch of space by making sweeping statements to the effect that all his goods were absolutely guaranteed, or that he gave the most for the least money. His advertisements consisted merely of illustrations of certain articles with a plainly-worded description, and the price. But when a person came into his store to look at one of the advertised articles a feeling of confidence was established because the illustration, the printed description and the sales talk all agreed.

An advertisement is like a person in that it may be too smooth and polished for greatest effectiveness. Most of us feel just a little uneasy in doing business with a man who is wholly elegant, graceful and worldly. There is probably a subconscious feeling that so wise a person could, all too easily, put something over us if he wanted to. We like to see a wonderful person on the stage, but when it comes to buying a delivery truck or a suit of clothes, we would just as soon patronize a man who looks as if he might have lived on a farm when a boy.

As the jeweler's business increased he began to use more newspaper space. He continued to appear only twice a week, but in place of half a column he began to use full columns, and even quarter pages. Such publicity costs a good deal of money from a small retailer's viewpoint, with space at 70 cents an inch, but he kept up his advertising right through the dull summer months when most small storekeepers are thinking more about the wages for the clerks on Saturday night than about newspaper publicity.

Competing merchants wondered where he got the money to do it with. For it is embarrassing, to say the least, to have the newspaper collector call on the first of the month, and have to frame up an excuse each time that will seem plausible. But this southern jeweler had planned it all out, and had made a proposition to the newspaper management for financing his publicity

(Continued on page 28)

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To All Deadbeats, Greetings!

By C. M. REED
Assistant Secretary, Denver Retail Credit Men's Association

A *WELL-DRESSED* woman recently walked into one of the leading Denver retail stores, selected about $75 worth of fine merchandise and asked to have it "charged." She was referred to the credit man, who asked her to fill in and sign a standard application blank. This she refused to do, saying her husband had cautioned her never to "sign anything." Futhermore, she said, she was not accustomed to having her honesty questioned in that way. With this parting thrust, she turned and walked out.

Suspicious of the would-be patron, the credit man inquired of other merchants along the street about this woman, and learned that she had made similar attempts to buy goods on credit of three other concerns—each time without success. Later it developed that the woman was a professional "deadbeat;" that she had been in Denver only a few days, and that she had victimized retailers in other cities. In Denver she was balked by the application blank, and so far as we know she imposed on none of our merchants.

This incident, by no means an isolated one, illustrates the wisdom of the Denver merchants in adopting a standard application form. As a result of its adoption the heavy losses formerly sustained by our merchants have been substantially reduced, the trade is being educated along sound lines, and charge accounts are more desirable than ever. The customer who is honest is encouraged more than ever to buy on credit, while the deadbeat, not sure of his or her ground, becomes both less bold and less successful in fraudulent buying.

The fact is, the public has been educated by banks, insurance companies and other financial institutions to make formal applications for loans, insurance or credit, and compliance with the inevitable request follows as a matter of course. Now the merchant is not lending money or selling insurance, but what he does sell represents high value none the less; it is the same as money to the owner and must be paid for by the owner in cash or its equivalent. Why, then, should not a mercantile concern adopt the same safeguards that are required by banks and trust companies?

If the seeker of credit needs $100 worth of goods and lacks the cash, it follows that he must do one of two things: borrow the money at the bank and pay cash, or buy of the merchant on credit. If he goes to the bank he must make formal application for the loan or he gets no money. Is it not perfectly reasonable to assume that if he seeks to get the merchandise on credit he incurs the same obligation to make a formal application of the merchant?

There can be no doubt that the proper time and only real opportunity to get information regarding a new charge customer is before the account is opened; afterwards the information may come too late. It took years for credit men as a class to discover the importance of this principle.

The adoption of a standard application blank was one of the first moves for efficiency inaugurated by this association. Crude in the beginning, to be sure, but defects were remedied one by one. Meanwhile the public was being educated to the advantages of sound credit practice, and today almost every retailer in Denver is using the form recommended by the association after many years of experience and work in gathering various forms used by retailers throughout the nation.

To look back fifteen or twenty years and compare the reference cards still on file in some of our larger stores with the formal application blank of today, we quickly appreciate the improvements achieved. Recently the writer had the privilege of examining the old files of a well-known retail concern and was amused to find reference cards appearing therein with notations something like the following:

JOHN SMITH, machinist, 1921 Stout street. Looks good to me. O. K. for $50. 30 days.

HELEN WISE, widow, Fairfax Hotel. Has three children. Not employed; now looking for work. O. K. for $25. Looks honest.

BILL JONES, painter no address. Lived here six months. Says he is working. Does not booze. Looks O. K. for $25.

To the present-day credit man the foregoing will appear ridiculous, but nevertheless they illustrate how the credit man of twenty years ago really did business. It will be seen from these references that the credit man made no attempt to determine the financial status or anything whatever respecting the antecedents of the applicant. If the applicant talked well and looked halfway respectable, he or she could "get by" the credit man for a fair line of credit.

Such methods, however, could lead to but one end—loss and failure. In neglecting to

MEMBER OF
The Retail Credit Men's Association

For the purpose of procuring credit of you, from time to time, (I or We) furnish you the following information:

GIVE NAME IN FULL

Name Joe Doe

Residence (HOW LONG) Linton Hotel—Room 41 6

Former Residence (HOW LONG) Cincinnati Ohio—Liberty

PARENTS NAME

Do you live at home ✓

Business or Occupation Salesman

Employment by (HOW LONG) Rogers Foster Co

Real Estate L 2-4 Blk 6—Watkins Hills Survey & Mortgage $1500.00 Agency Co

In whose name Joe Doe Value 4500.00

Introduced by Self

Reference Citizens Trust Co. Citizens O.

Reference L C Brown Inv. Co. Citizens O.

Reference Greenville Bank Citizens O.

Bank With Rowe Nat'l Co— Checking Account ✓ Savings Account ☐

TERMS ADOPTED BY MEMBERS OF THE RETAIL CREDIT MEN'S ASSOCIATION

"Monthly settlements in full; accounts due on presentation of bill."

6/5/19 191 Signed Joe Doe Linton Hotel

Standard credit application form used by Denver retail merchants

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fortify himself by obtaining complete data regarding the applicant, the merchant frequently made himself the victim of unscrupulous or unfortunate persons who either would not or could not pay their bills—people who had no financial standing and whose station in life was such as to preclude the advisability of taking their business except on a cash basis.

When the Denver Retail Credit Men's Association first suggested reforms in credit practice many merchants and credit men remonstrated. They said that such reforms would mean commercial suicide; that the public, long encouraged to take advantage of loose credit methods, would stand for no such measures, but would take its business elsewhere—to firms, for instance, that were not so exacting; firms that would trust anybody and everybody for the sake of moving merchandise.

It was a long, hard, up-hill job, but continual education of the merchant along co-operative lines eventually brought results. Members of the association finally agreed to co-operate with one another in the work of reforming the credit-seeking public: first, by adopting a standard form of application; second, by insisting that all applicants for credit fill in and sign the form.

A clause at the head of this form is worthy of special mention, this clause reading: "For the purpose of procuring credit of you, from time to time, I (or we) furnish you the following information."

Then and there the customer is given to understand that his or her statements, as contained in the application, are presumed to be correct, and that credit is extended or declined solely upon representations made by the applicant in the application; furthermore, that this application, when duly filled in and signed, becomes a part of the firm's permanent records and a part of the applicant's contract with the firm; that if the application contains any misrepresentation and if the applicant does not pay as agreed and has to be sued, the application can be introduced as evidence of fraud.

When this form was first adopted some of our stores reported that certain applicants pretended to take offense and refused either to fill in or sign the application, stating that they would go elsewhere with their trade. When they did go elsewhere, however, they found that they were asked to fill the same form before obtaining the desired accommodation, so they finally realized that they would have to do one of two things: pay cash or fill in the application.

With this condition confronting them, they soon became reconciled to the modern way of applying for credit, and today it is seldom that any of our stores experience difficulty in inducing an applicant for credit to fill in and sign the formal application, to the benefit of all concerned.

Swat the "Spiff"

By F. McL. RADFORD
Advertising Manager, The Bon Marche, Seattle

A *"P. M."* is a barnacle, isn't it? It is small enough, and inconspicuous enough, to begin with; it doesn't make any perceptible difference in the speed of the ship. But bye and bye it gets a little larger; it is slowing down the ship, but to such a slight degree that the captain and the crew only faintly realize it. Then is the time to overhaul the ship and knock off the barnacles as quickly as you can. Or, to paraphrase a well-known expression, it is time to "Swat the Spiff."

We never have been a "p.m." house; we didn't have to be; we did a cash business in the medium-to-fair price ranges, sold pretty close and made a fair number of revolutions in the matter of stock turnover.

But the "p. m." habit crept in unawares; some buyers who had been used to it in other houses started "red-inking" the slow sellers and "got by" with it. The thing ran on for a dozen years, perhaps, never getting very big; if it had grown faster we probably would have abandoned the practice long ago, but it was saved by its size—or rather, its lack of size.



The Bon Marché

Premium-Spiffs-E.P.'s-P.M.'s

It is a fairly general custom among retail stores to push the sale of slow-moving merchandise by paying the salesperson an extra commission or bonus on such sales. These extra payments are called "Premiums," "E.P.'s," "P.M.'s," or more colloquially, "spiffs."

This method (although its legitimate use can be defended) is obviously open to criticism. In actual practice it is difficult to control and we have therefore come to the conclusion that it violates the fundamental principle of our organization, namely:

THAT WE SHALL CONTINUE NO PLAN OR POLICY IN CONDUCTING THE BON MARCHE WHICH WILL NOT BEAR THE FULLEST PUBLICITY OR WHICH UNFAVORABLY AFFECTS OUR CUSTOMERS' INTERESTS IN THE SMALLEST DEGREE.

Obviously by giving special reward, undesirable merchandise can be forced onto a customer, who is trusting us to advise her honestly.

COMMENCING MONDAY, MAY 5TH, THE BON MARCHE WILL DISCONTINUE THE USE OF ALL SUCH SPECIAL INCENTIVES.

We can now guarantee to our customers that our merchandise is being sold on its merits, and without any hidden or unsuspected influence.

Advertisement in which The Bon Marche announced its change of policy

It was too small to bother about until one day an executive with an inquiring turn of mind started on a still hunt for "p. m." facts and unearthed some very interesting figures on the subject. He found that most of the "p. m.'s" were paid in a few departments; that 50 per cent of all the "p. m.'s" were paid to a small group of salespeople, and that these salespeople were not, by any means, the ones who ran the high books in their departments. In short, we found that the "p. m." system, instead of keeping the stocks clean, was having just the opposite effect and was creating old stock. When we discovered this very vital fact we decided to do away with "p. m.'s" altogether. Accordingly, we laid our heads together and prepared an advertisement which explained our new policy and which appeared in the Seattle daily papers of May 4 last.

We didn't want those of our salespeople who had been earning "p. m." money to suffer a reduction of salaries in the face of the higher cost of living, so in the departments most addicted to the practice we gave the salespeople a commission of one-half of one per cent of their sales.

Now, what was the reaction from our advertisement on the mind of the general public? Well, it was a little like Browning's "The Ring and The Book," in which there were thirteen different explanations of one murder.

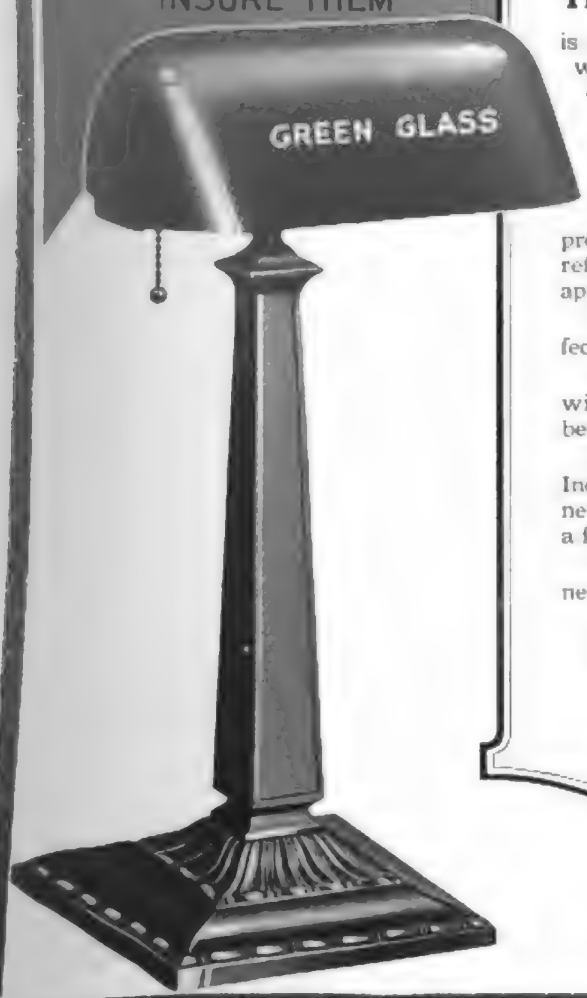
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EMERALITE



EYES ARE
PRICELESS
INSURE THEM



Desk-Top Daylight

Daylight is the best working light for your eyes because the irritating red rays are not so strong as in ordinary artificial light.

You can now have your desk lighted with an even daylight that will surprise your eyes by its softness and enable them to do more and better work without fatigue.

The Emeralite Daylight Attachment

is a simple, practical and inexpensive device, which, when applied to any Emeralite, changes ordinary electric light into daylight of proper intensity, increases visibility and eliminates the glare reflected from desk top.

The Green Glass Shade

protects the eyes from the direct glare of the lamp, reflects an even daylight glow over the work and its appearance adds tone to your office.

Emeralite, always the *best* desk lamp, is now perfect – a satisfying service worth many times its cost.

Your eyes are priceless; protect them. An **Emeralite** with **Daylight Attachment** is the cheapest and best eye-insurance you can buy.

You probably have an Emeralite on your desk. Increase its utility and improve its service with the new **Daylight Attachment.** Anyone can apply it in a few moments.

There is an Emeralite for every reading and writing need — for every desk for every location.

Sold by electrical and office supply dealers everywhere. Complete interesting catalog and demonstration upon request.

H. G. McFADDIN & CO.
40 Warren Street **NEW YORK**

Makers of lighting equipment since 1874

The National Desk Lamp

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Stationery of Distinction

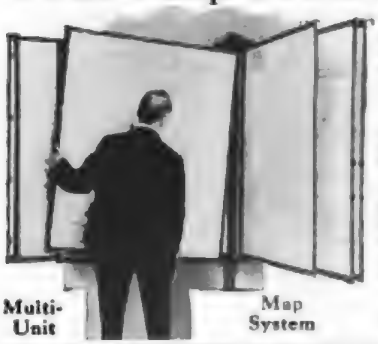
A MAN is particular about his dress, his home, his automobile, because they represent his standing in the community. Why shouldn't he be equally particular about that which represents him in places where he cannot be—his business stationery.

Nine out of ten letterheads misrepresent the business they stand for. Yet between the costliest and the cheapest paper, between the richest and most indifferent execution, there is not enough difference in cost per sheet (on which important business matters are written) to warrant "economizing." Stationery is but one feature of our business but we know how to make it distinctive. We do good work; work that is worth its price; the kind you'll want if you are proud of your business.

The Edwards & Franklin Co.
Distinctive Business Stationery
Youngstown, Ohio
Medal, London, 1914

Your Map Problem Solved

Dependable Map Information Easily Accessible



The Multi-Unit System allows use of large scale maps on which detailed commercial information is clearly indicated. They Show Counties, Townships, railroads, electric lines, and all towns, regardless of how small. The index is arranged on the front surface with population and key for location.

Multi-Unit Map System

makes it easy to *"keep track with tacks," or mark on the specially celluloided surface with master color pencils, crayons, pencil or inks.* A moist cloth instantly clears the surface when you want to change your territory marking.

Sales Managers! Keep the record of each salesman's daily movements where it can be instantly referred to—in your office—at arm's reach—yet out of the way when not in use. Whether your territory is a few states or the entire forty-eight—you can keep a set of maps large enough to show every detail—yet occupying very little more space than a single wall map.

Write for information and suggestions for map equipment covering your particular field. We can solve your map problems. Tell us your needs.

Multi-Unit Map System

NATIONAL MAP COMPANY
Indianapolis, Ind. Business Established 1885 New York City

Advertising Blotters

Men will remember your service or your product, if you send them **"Heyden Blotters"**—the "keep-in-mind" medium of Direct Advertising. Our Monthly Blotter Service, all attractive designs, well printed in "eye-catching" colors, gives you new ideas—good advertising toward out each month with your regular mail or otherwise. These blotters will find immediate use and tell your story repeatedly for less than one cent per man per month. They will fit right into your business—increase it and pay for themselves very quickly. Write today for circular 66.
Heyden Company, Inc. 416 S. Dearborn St. Chicago

BUSINESS will carry your message to 100,000 business executives who have the authority to buy.
Rates and additional data upon request.

Swat the "Spiff"

(Continued from page 22)

Some people thought it was a big and noble thing to do; thought it was progressive—and did not hesitate to say so.

Others did not quite understand what it was all about or, if they did, they had a feeling that in the past they had been duped by The Bon Marche and felt that the statement that we would not do it again scarcely made amends for what we had confessed doing in the past.

Among the retail fraternity opinions were also divided. We got some letters commending us on the stand we had taken and saying what a step forward it was, while concerns that used the "p. m." system to a large extent were wrathful and thought it was hardly fair of us "to tell."

Personally, I am glad we abandoned the "p. m.'s" as I have seen so many abuses of the system in the years I spent behind the counter—abuses that far outweighed any possible benefits to the house. Time after time I have seen sales lost because a salesman kept on showing goods that were "red-inked" when all the time the goods the customer wanted were lying peacefully on the shelves.

When I think of "p. m.'s" I always remember one incident that occurred when I was a salesman of dress goods. A fellow salesman was trying his best to sell an awful "sticker" to a Swedish woman. It had 10 cents "p. m." a yard in it, so each yard he cut meant two beers for him. He said to her most earnestly, "Madam, I would like so much to sell you a dress off this piece."

Her reply, in its way, was a classic: "Yas, Aye tank you would; dat bane purty old stuff." And with her nose in the air she marched out of the store.

Now, to sum up, we undoubtedly did the right thing to abandon "p. m.'s." We should have done it years ago. But frankly, I sometimes find myself debating this question: wouldn't it have been better to drop the system without saying a word about it?

An Eye to Business

The killing of a bandit in the foothills of the Sierra Madre mountains in Southern California resulted in a new and popular outdoor sport—hunting for the treasure which people thereabouts thought the bandit had hidden.

A quick-witted hardware man placed in his window some garden tools and spades, also a clipping of the newspaper article describing the hunt for the treasure. A placard bore the following invitation:

"Get your outfit here to dig for the Dale Jones $30,000 buried treasure. It will come in handy in your garden even if you don't find the swag."

Lemon Pie, Sir?

It is commonly asserted that one of the effects of the prohibition of the sale of liquor will be an increase in the sale of fruits. One of the leading bars in San Francisco used 700 boxes of lemons a year in mixing drinks, but the citrus fruit dealers report that more lemons were sold the first month after San Francisco went dry than in any other month for which they have records. Asked for an explanation, they reported that people are eating more lemon pie than ever before.

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Quick Sales for Sure Profits

By JAMES W. FISK
Bannon Brothers Company, Inc., St. Paul



A *MERCHANT* in a middle western city began to analyze his expenses in their relation to profits. He discovered that in his jewelry department his expenses encroached on his profits at the rate of one-fifth of one cent each day for each dollar of the investment. For instance, a pin that cost 33 cents was marked to sell at 50 cents; if it remained in stock four months and was sold for 50 cents it paid no profit at all; if it remained in the store another month its sale at 50 cents would entail an actual loss of 6 cents.

He found that the principle applied with equal force to hosiery and furnishings. Expenses on his ribbons were piling up daily at the rate of half a cent on each dollar. In consequence, if he bought ribbon at $2 a bolt to sell at 25 cents a yard, after it had been in stock eight weeks it not only would pay no profit, but would be sold at a loss.

The cost of carrying groceries he found to be one and one-fourth cents on each dollar each day. Evidently he must sell his groceries quickly if he sold at a profit.

The daily cost of carrying toilet articles was found to be six-tenths of a cent on the dollar; laces, three-tenths; women's ready-to-wear garments, seven-tenths; shoes, four-tenths; boys' clothing, four-tenths, and hardware, four-tenths.

On each stock there was this unavoidable burden of an expense that accumulated from day to day. It was obvious that goods which were destined to remain longest in stock must bear the widest margin of profit; it was equally obvious that those goods which sold rapidly could be merchandised on a smaller mark-up with a greater net profit.

Merchandise which remained in the receiving room one day longer than necessary was sold at a disadvantage; the profit was reduced by just as much as it cost to carry those goods that day.

An investigation of the ready-to-wear stock brought to light some interesting facts. A raincoat which originally cost $2 and was marked to sell at $4 had been kept in stock eighteen months. For eighteen months the expense of carrying this garment in stock had been piling up at the rate of one and four-tenths cents a day—504 business days for a total of $7.05. Even if the coat had been sold then at the regular price of $4 there would have been a loss of $5.05; while as a matter of fact the garment had so depreciated in value by remaining in stock that it could not be sold for more than the original cost of $2.

Many retail merchants are penalized by inactive stocks, the proportion of slow-moving goods in some cases running as high as 25 per cent of the total investment in goods. It can readily be seen that the profits of the other 75 per cent must make up for the losses on these mistakes in buying.

A merchant in a little Nebraska town in taking stock the first of July, found an accumulation of brown-checked trousers in his clothing department. This particular lot of merchandise had been in stock ten years, waiting for possible purchasers. The combined prices of the various garments totaled about $100, of which at the time of marking $25 would have been gross profit. The goods by this time, however, were virtually unsalable and the compound interest alone amounted to $134.28.

In the house furnishings department of a certain store it was found that the carrying of too many hammocks, refrigerators and similar summer goods through the winter added materially to their cost, although the same goods must be sold the following season at a price but little in excess of the cost of new goods.

Another department of the same store employed more salespeople than were actually needed; the merchandise in this department had to be sold very quickly if the profits were not to be absorbed entirely by selling expense.

The law of diminishing returns begins to operate the day the goods are received; each day that goods are held adds to their cost—and in most cases they do not improve with age. Go into some stores and you will find merchandise that a glance will tell you has been held long past the profit-paying period.

Whether it rains or shines, rent must be paid. Customers may develop the habit of staying at home and sales will decrease, but the fixed expenses remain the same. Each day adds to the cost of all goods in stock, just as surely as it adds to the interest on money borrowed.

In view of these facts, anything that can be done in the way of displaying, advertising, stock arrangement or salesmanship to move goods more quickly is advisable, in that we are attacking the condition at the root.

Reasons for recommending quick turnover are easy to enumerate. Where goods move rapidly stocks are always fresh, inviting and up to date. Experienced merchants realize that appear-

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A Pleased Customer

ADD a pleased customer each day, and your business will boom.

People will not wait, willingly, for anything. Most of all they will not wait willingly for change. Nor do they want to find an error in it when they get it.

That is the first and most important reason why the BRANDT AUTOMATIC CASHIER is going to help boom your business. Your customer will get his *correct* change in the fraction of a second. He leaves your place impressed with your speed and efficiency. And that will bring him back—a permanent customer.

You press one key—the amount of the sale. The machine does the subtracting and drops the *exact change* into your hand. Nothing could be simpler. Guaranteed for ten years—lasts thirty.



Fill in the attached coupon and we will send you a booklet telling all about this little wizard of business, and a list of users in your vicinity.

BRANDT MANUFACTURING COMPANY

WATERTOWN WISCONSIN

Representatives in all principal cities

Please send booklet describing Brandt Automatic Cashier, with names of users in this vicinity.

BRANDT MFG. CO.
Watertown Wis.

ance has much to do with the salability of merchandise and that most goods deteriorate very fast. Furthermore, the public likes new things, and all other factors being equal, will naturally trade at that store which always has a stock of new goods.

There is also a considerable advantage in doing a maximum business on a minimum stock in that the risk is less; the investment is less; the insurance is less, and the tax is less.

The measure of the value of a dollar invested in the usual commodities is the number of times it turns. Safety recommends real estate, mortgages and government bonds for investment, and if the retailer's money cannot earn him a higher rate of income than is paid by these forms of investment he might better sell his stock and reinvest the proceeds.

There is a natural tendency on the part of many buyers and store managers, however, to believe that their selections of merchandise are exceptionally good and that the public must approve without the necessity of forcing sales. Common sense suggests that if the public has not bought certain articles within a reasonable time, they represent mistakes in buying; regardless of the buyer's opinion of the value of the goods, the public has turned its thumbs down.

Probably the greatest argument in favor of nationally advertised goods is that they are partly sold before they are placed in stock. Because they can be distributed more quickly, they will pay a better net profit on a smaller mark-up.

I recall the experience of a merchant who found that he was carrying fourteen brands of talcum powder to sell at 15 cents and that of these fourteen brands only six were active. Sales of the eight other brands averaged one a month for each brand.

This powder was bought in gross lots and the supply of the unsalable varieties on hand was sufficient to last almost twelve years. Considering the first cost and accumulated expense, one can imagine how big a profit would be earned by the last box.

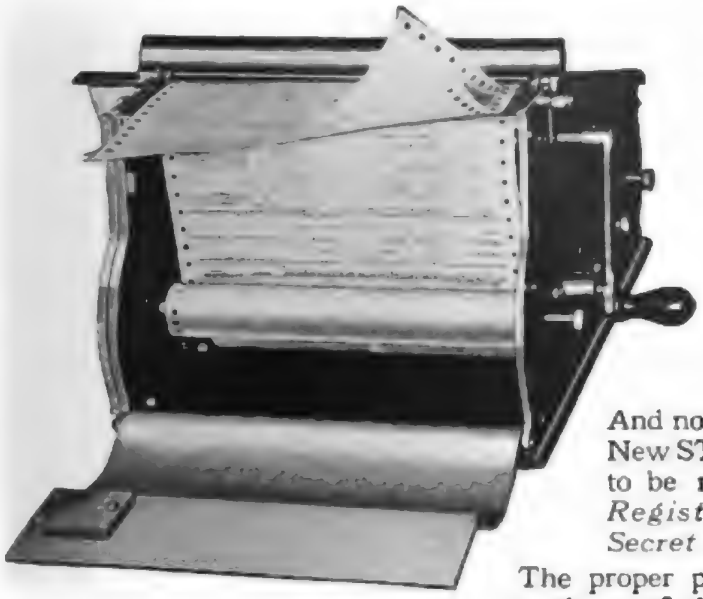
Instead of using the seasonal division in marking stocks, one progressive western merchant marks each item with a letter designating the month. For example, goods received in January would be marked with the letter A preceding the price, those in February with B, and so on.

This practice is based on the fact that many a buyer lacks the backbone to sell slow-moving merchandise at a reduction. To insure activity in all lines, this store advertises its marking code to the public and asks its customers to "Note the letter on the tag so

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THE NEW STANDARD

Two in One—a Manifolding Register with a Secret Roll



We are able to say with a feeling of just pride that, especially during recent years, Business America has shown a realization of the proven supremacy of—and, by orders which have kept us busy for months, twenty-four hours a day, have thus paid definite tribute to—

STANDARD
"Kant-Slip"
Autographic Registers

And now it is with double pride that we offer a New STANDARD—which we have first proven to be mechanically perfect as a *Manifolding Register* with the remarkable feature of a *Secret Roll.*

The proper protection of your business demands a register of this kind. And—as with any of our registers—we offer you our services in adjusting a Standard System to fit your needs. All business and most professional men will find that a Standard Register and a Standard System can save them worlds of work and worry.

The Standard has no complicated mechanism to wear and get out of order—is guaranteed for one year against defects and will be repaired at actual cost if injured in use.

SOME OF OUR CUSTOMERS:

Ford Motor Co.
Parke Davis & Co.
National Biscuit Co.
Detroit United Ry.
Packard Motor Car Co.
Hotel Pennsylvania
Miami Conservancy
U. S. S. Leviathan
Commonwealth Edison Co.
Goodyear T. & R. Co.
N. K. Fairbanks Co.

Standard Kant-Slip Register

Standard Autographic Registers record the original and duplicate exactly alike. They cannot do otherwise—because of our patented positive alignment feature thru the action of the tapered steel pins in the holes along the sides of the sheets. This one feature alone makes any Standard Register worth many times its trifling cost—for there positively can be no alignment errors in records made on them.

Use the Coupon for Further Information.

See the Holes Kant-Slip

The Standard Register Co.

S. R. DEPT.

DAYTON, OHIO, U. S. A.

REPRESENTATIVES IN ALL CITIES

THE STANDARD REGISTER CO.
S. R. Dept.
DAYTON, OHIO.

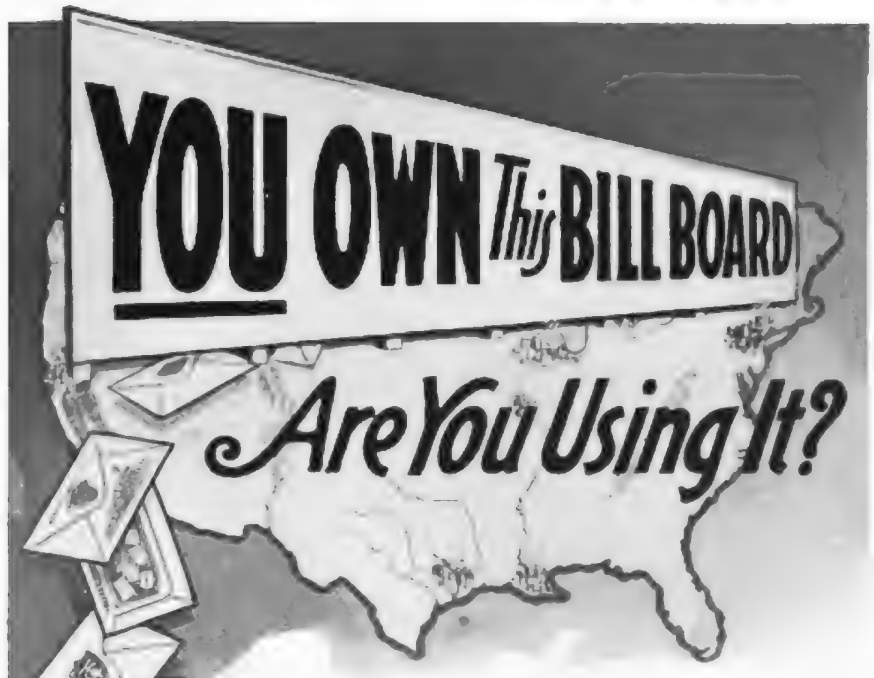
Please send us particularized description of your new S. R. Manifolding Register as announced in the new "Business" Magazine.

Name.....

Address.....

Date.....

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It Stretches From Coast to Coast

It reaches into the cities and hamlets and cross-roads. It goes where your mail goes. It's on the flaps of the envelopes that carry your mail and advertising matter.

Are you using it? Are the little "messengers of increased business" leaving your office tongue-tied, or are they telling everyone whose eye they pass under of the excellence of your product, the reliability of your house, or the value of your service?

Put your trade-mark on the envelope flap—or your slogan—or a "bird's-eye" of your plant. Let your advertisement on the envelope help your letter across. Don't put all the brains on the inside of the envelope; let the outside have its share.

You can have ***Sewell-Clapp-Envelopes*** make your envelopes do this important work.

You can have an envelope created for you that characterizes your business—one of individuality. That's how ***Sewell-Clapp-Envelopes*** will serve you. Use the coupon. See that nothing delays the possibilities for profit that it opens to you.

SEWELL-CLAPP-ENVELOPES

21 N. Desplaines St. CHICAGO, ILLINOIS

The oldest and largest Envelope Mill in America Making Business Envelopes Exclusively

If *Sewell-Clapp-Envelopes* can serve us, we want to know all about them. Please send us the booklets mentioned. However, this request obligates us in no way.

Name

Address

City *State*

Your copies of "Advertising Value of Business Envelopes" and "Circular Envelopes and Their Power to Produce Sales" are waiting. May we send them?

SEWELL-CLAPP-ENVELOPES CHICAGO

that you may know how long it has been in stock." All goods are marked in the receiving room by a separate group of markers, so there is no chance for deception. This policy puts it up to the buyer pretty strong; the goods he buys must move or acquire odium in the eyes of the public.

Whether or not we appreciate the fact, every tick of the clock adds to the cost of every piece of merchandise in stock. If we employ some practical plan of disposing of goods before the net profit has been entirely absorbed, our business will succeed; if not, let us realize that we are paying for this waste time in good, hard coin.

Of all losses in business, the greatest is that of lost time. To estimate the amount is clearly impossible, for the greatest part of the loss—and the part most to be deplored—arises from the fact that lost time means lost opportunities.

Keep the dollar in your business working; make every minute count. Speed up the turnover of your stock until all items of merchandise are lifters, not leaners.

Profitable Advertising—And the Other Kind

(Continued from page 20)

during the quiet months of summer.

"I want to advertise during the dull season," he told the business manager, "but I am not optimistic enough to believe that I will be able to pay the bill every month. Neither do I want to be worried by having your collector running in and poking his bill at me when I may be waiting on a customer. From June until September I don't want to pay you a cent; but I will give you a note, with interest, for the amount of space used, payable the first of January."

The business manager thought it over. It was the first time a retailer had ever made him such a proposition. Some times they used the space, to be sure, and then informally stood off payment of the bill. But here was a business-like proposition, backed up by an interest-bearing note which might be discounted at the bank if the newspaper needed the money.

"Your offer looks good to me," he told the merchant. "Go right ahead with your advertising during the dull months and I promise you that no one from this office will go into your store unless he wants to buy something."

Today, after three years of serious advertising, this southerner is distinctly the leading jeweler in his city. He is spending $5,000 a year on his publicity, but he spends it all in one newspaper.

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Your Share of This Business

(Continued from page 12)

eager to know what his selling possibilities are in women's ready-to-wear, hosiery, underwear, men's clothing, groceries, floor coverings, furniture and other lines usually carried by a general store. We have been able to ascertain the average expenditure on a great many of these lines, and although we do not try to put a complete selling plan back of all such lines as we handle, we are always glad to have merchants consult us and glad to assist them in both their advertising and sales promotion of any of the different lines in their store.

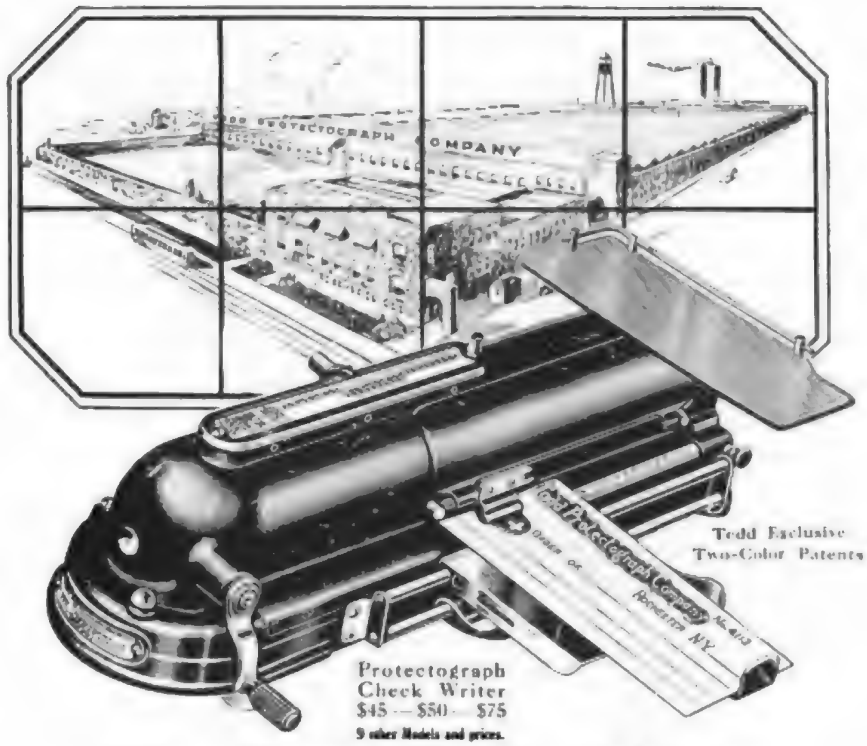
When a merchant gets an idea of his selling possibilities; when he realizes that there must be much business getting away from him—business which perhaps he never imagined was so close to his store—he is incited to go after it, rather than allow the "other fellow" to have it without a struggle. Once he is in this frame of mind he is ready to appreciate intelligent service.

For years the house of M. E. Smith & Co., Inc., had prided itself on what it considered good service. Suddenly we awoke to the fact that to have the right goods at the right prices; to fill orders quickly and correctly; to ship the goods promptly and bill them without error—these and other details did not constitute real service at all; they were merely matters of good business.

"Real service is not a thing at all; it is a spirit," said Mr. Henry P. Williams, a Chicago advertising expert, in an address before one of our traveling salesmen's conventions. "You cannot merely think 'service' and let it go at that; you have to feel it. If you succeed in doing that; if you go to the retailer in the spirit of wanting to do something for him, you can see how this will work back to you. The other day I read this sentence in some book: 'The basis of successful business is imagination about other people. The best way to train one's imagination about other people is to try different ways of being of service to them. Trying different ways of getting money out of them does not train it.'"

We decided right there to train our imaginations about the "other people" with whom we do business, the "other people" being retail merchants. How could we be of real service to them? What could we do that we were not doing, besides selling them our goods and taking their money?

The answer began to come through inquiries addressed to the advertising department, asking for help in solving



The Plant Back of Your Protectograph Check Writer

When you invest in any piece of business machinery, it's well to know what guarantee you are getting, and what stands back of the guarantee.

This four-acre plant, with a million dollars' worth of manufacturing and laboratory equipment, plus twenty years of successful experience in safeguarding the world's checks, stands back of our guarantee that

TODD
Protectograph System

provides complete protection.

This is the System backed by an iron-clad forgery insurance policy, issued under the rigid insurance laws of New York State. Todd pays the premium.

The Todd System consists of (a) PROTOD chemical-fibre, Forgery-proof checks and drafts, made to order for Todd users only, each check registered and safeguarded like Government bank notes—(b) these checks written with Todd Two-Color amount line in black and red by the Protectograph Check Writer, like this

EXACTLY FIFTY ONE DOLLARS SIX CENTS

(New "Exactly" Speed-up Dial. "Shreds" the amount in the body of the check, exact to the penny. Denominations in Black, amount words in Red.)

A famous forger has written the "inside story," telling how easily millions are stolen yearly by check swindlers from the smaller business concerns that have not as yet adopted Todd protection. Mail this coupon with your letterhead for a copy.

TODD PROTECTOGRAPH CO.

(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices. Sales and Service Branches in 100 cities throughout the World.

1179 University Avenue, Rochester, N. Y.

***"Scratcher"* The Forger**

His Book

(Written in State Prison)

FREE, Please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name _____

(Attach to your business card or letterhead)

TODD PROTECTOGRAPH CO., Rochester, N. Y.

BM 10-19

Faultless Turning Post Ledger

FOR MACHINE BOOKKEEPING

Capacity 200 to 1,100 Accounts

1. A thoroughly well built Posting Ledger Device. Bound Russia or Pigskin back and corners, Corduroy sides, occupies minimum vault space. Ratchet Bracket Stand adjustable, detachable and compact.



Cut 1



Cut 2

2. Adjustable Ratchets inserted. Oval milled posts turned to release sheets—Ledger expanded ready for posting—Accounts all held on right-hand side by milled posts which engage the sheets and prevent them from slipping—ample working space.

3. Part of accounts posted. Posted accounts moved to left-hand side and offset to indicate a change in balance—Milled turning posts prevent accounts slipping to center or sagging—Vertical style binder eliminates a long reach for the sheet and increases speed in posting—Extended covers protect offset sheets.



Cut 3



Cut 4

4. Bottom metal plate under oval turning posts raises sheets when in vertical position to clear milled posts so entire body of sheets can be moved in one operation to normal position.

5. With Checking Bracket inserted in front to prevent Ledger tipping forward. Front cover of ledger can be lowered to the desk which gives easy access to entire contents of Ledger.



Cut 5

No Other Machine Bookkeeping Ledgers Have These Features

Stationers Loose Leaf Co.

Chicago Milwaukee New York

different business problems. One merchant wanted to know if we would write a page advertisement for his fall opening; another wanted to get out a hand bill and had neither time nor facilities for doing it. Still another wanted to know just why he should figure profits on his selling price, rather than on the cost of the goods, and a fourth would ask further light on the question of turnover and how to figure it.

A little investigation proved conclusively that retail merchants would welcome real help; that they were able to buy all the goods they needed, but that a service that would help them sell those goods after they were on the shelves would be greatly appreciated. Thus originated our practice of analyzing the retailer's market and showing him how to cash in on his possibilities. The "big idea" behind the plan is to be of genuine help to our customers; to do something more than sell them goods, take their money and then forget them until it is time to ask for another order. In a word, we believe that our goods are not sold until they are in the hands of satisfied consumers.

Does it pay to do these things? If our volume of sales is any criterion, it certainly does. Our business in 1918 was two and one-quarter times that of 1915, and for 1919 it promises to be at least three times that of 1915.

This kind of service, of course, is not easy to give; neither is it inexpensive. In fact, it costs a lot of money, but it certainly does pay not immediately, of course, but in the long run, as our experience has abundantly proved.

Honest Advertising

Crane's shoe store, Baltimore, was the subject of complimentary mention in a recent issue of the *Ad-Club Bulletin*, published by the Advertising Club of Baltimore. The comment is worth repeating. Here it is:

"In a Baltimore street shoe store window—Crane's to be exact—there's a splendid showing of shoes. A window card reads thus:

'Oxfords, $6, $7, $8, $9—Values, $3.50. Sizes, 5, 5½, 6 and 6½.'

"No attempt to camouflage; no endeavor to draw big-footed folks inside, using the display as a bait. Just a plain, honest-to-goodness offer, which will find a ready response from fellows with little feet."

Baltimore, says a bulletin from the Associated Advertising Clubs of the world, is one of 100 cities in which active work is now in progress, backed by local business men, to stamp fraud from advertising.

OAKLAND

The Western City of Ships

Oakland is on the continental side of San Francisco Bay—has 9½ miles of deep water frontage—is the western terminal of three transcontinental railways.

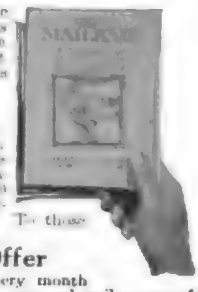
Keep in touch with the growth of this western shipbuilding and manufacturing city.

A New Map—Free

Write for a copy of a new map of Oakland, giving complete information about its opportunities and progress.

Central National Bank
OAKLAND
CALIFORNIA

Tim Thrift knows the inside secrets of direct-mail advertising. He has come in contact with it nationally for years. Under his editorship

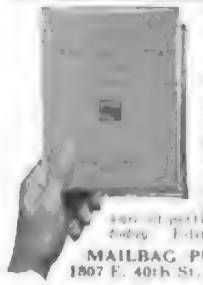


The MAILBAG

is chock-full of *practical, definite, tried-out usable* ideas on advertising and selling by mail. Read now by 10,000 business concerns and executives who find it invaluable. To those unfamiliar with it, we make a

Special $1.00 Offer

We'll send The Mailbag every month for a year and mail a copy of



The Art of Resultful Letter Writing

a brass tacks book by Robert Ruxton, a master salesman who uses the pen instead of the tongue.

Hundreds have told us this contains more pertinent truths in its 56 pages than everything they have ever read on the subject. To be sure of getting your copy, send a dollar today. Edition limited.

MAILBAG PUBLISHING COMPANY
1807 E. 40th St. Cleveland, Ohio

TRAFFIC BE AN EXPERT!

One concern paid $15,000,000 in one year for freight. Many pay $1,000,000 or more. Millions are wasted annually because of ignorance of cheapest ways to ship. You can be a traffic expert—stop losses—make big money for yourself.

Learn at Home—Book Free Get into this highly specialized and profitable work. Learn at home in spare time through our Actual Practice Method. Simple, easy to master. Write quick for Free Book telling about Traffic work, its opportunities, and how you can learn.

American Commerce Ass'n, Dept. 0C0, 226 S. Wabash, Chicago

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Lasts advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYTT LABORATORIES – Dept. "T"
565 W. Washington Street, CHICAGO, ILL.

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Tax on Mud or Profit on Roads?

(Continued from page 9)

Charles City, 15 cents transfer at Charles City, and 15 cents from Charles City to Mason City. Drayage at Mason City is 8 cents more, which brings the freight and cartage from St. Ansger to Mason City up to 61 cents a bushel in shipments in less than car lots, and a minimum shipment would be $1.15 less cartage on one bushel.

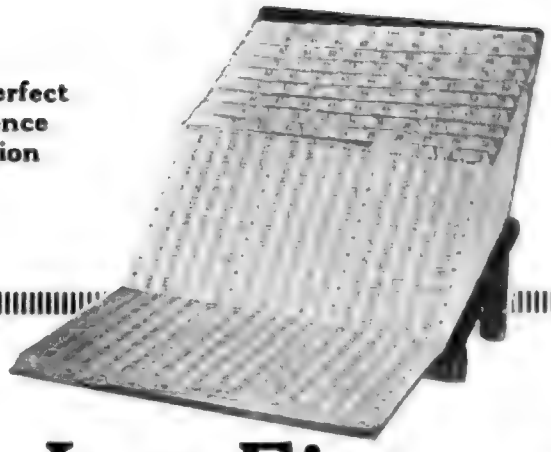
Suppose that each of these products at harvest time are the same in 1919 as in 1917. The consumer or retail merchant will give his order for potatoes that are picked up by truck at the farmer's door and laid down at the consumer's door for 15 cents a bushel, making a saving of 46 cents on a single bushel of potatoes on freight and cartage alone; in other words, potatoes would be laid down to the consumer in Mason City at $1.15 per bushel, allowing the retailer a 15 per cent profit for handling. This would give the consumer a better price by 35 cents a bushel and allow the retail merchant more than 15 per cent profit for his work, instead of less than 7 per cent which he received in 1917. In the case of cabbage as much as 600 per cent is saved to the consumer.

Some type of 365-day road is an absolute necessity to future development and expansion. Wide-awake communities are losing no time in taking full advantage of all means offered to finance road building projects. Those that delay are going to pay dearly. Their fight will be similar to the uphill battle waged by those localities that failed to grasp an opportunity to get railroads when the era of construction was at its height. The business centers of the future will be those that build arteries of transportation now.

Too much emphasis can not be placed upon the inestimable value of a network of connecting 365-day roads to any community, hamlet, village, town, city or state. A system of roads is essential to healthy business life. That is the reason that counties are planning highway systems, states have adopted certain lines of travel for special development, and even the Federal Government is considering, under the Townsend bill in the Senate, a system of national highways.

Juicy, tender, fried chicken tastes fine; but is there a more tempting morsel than that same brown springer with a world of pure cream gravy? Good roads are fine. They are the meat and drink; the substantial meal. The cream gravy is a transcontinental

Note perfect reference position



Note the linen hinged cards

Let Fingers Find the Figures!

Practically every labor-saving device of the past record-breaking decade has not only saved work but has done the work *faster!* It is so with the Meilicke Pay Roll Calculator.

This device contains the calculations of wages for any quantity of hours at rates per hour of 10c to $1.10.

Why pay high priced help for working your pay roll problems over and over every week or every month when an inexperienced clerk can do it with his fingers and a Meilicke Pay Roll Calculator? You can use your skilled clerks for more productive work and yet take care of the pay roll in less time than before.

There is now a special calculator for firms who have adopted the 44-hour week as a basis.

Any firm whose requirements call for special models may have them made to order, cheaply and quickly. Write for particulars.

Literature, describing the line of Meilicke Pay Roll Calculators adapted to the ordinary requirements, will be sent promptly on request.

MEILICKE CALCULATOR COMPANY
Dept. B
350 North Clark Street. CHICAGO

Some Meilicke *Time Savers:*

Dictaform, for correspondence and reference data. Bank Time and Interest Calculator. Savings Bank Interest Calculator. Liberty Loan Interest Calculator. Pay Roll Calculator. Piece Goods Calculator. Yard Goods Calculator. Price Checkers. Tariff Devices. Telephone Lists.

AND

Meilicke Pay Roll Calculators

Why Burroughs Does

Peoples Gas Light & Coke Co.
Chicago, Ill.

"We installed Burroughs machines to figure gas bills, an average of 30,000 a day. The machines saved us $8,640 in salaries the first year and I do not recall a single complaint of wrong deductions. The machines have exceeded our expectations."

Converse & Co.
Wholesale Dry Goods, New York City

"We get out balances much earlier, know the status of each account at any time, have a neater and more legible sheet with a great deal less mental worry and no doubt as to how it is coming out when it is time to balance."

Hubbard Milling Co.
Mankato, Minn.

"We are using the Burroughs for all our general ledger and sales ledger posting and we figure we are saving approximately one-half the time formerly required to do this work. We are also using it for all statement work. The statements are going out on time and with much less grief to our accounting department."

Champion Spark Plug Co.
Toledo, Ohio

"We consider bookkeeping by the Burroughs method the only real economical basis for handling records on a large scale. Our figure work now is done at less than half the cost with hand methods."

Doherty Hardware Co.
Baton Rouge, La.

"Eight years ago we bought a Burroughs and since that time I have known to a penny just how my business stood. We keep our ledgers posted and proved right up to the minute and get a daily balance on each account. To my mind this is perfection in bookkeeping."

Potts & Kauffman
Wholesale Grocers, Perth Amboy, N. J.

"Since we installed the Burroughs Ledger Posting and Statement Machine we know our ledgers are correct. They are neat and legible. Postings are proved absolutely every day. Our trial balance troubles are a thing of the past."

Kimbrough Hardware Co.
Muncie, Ind.

"It would be next to impossible to run our office without a Burroughs."

Crescent Coal Company
Oskaloosa, Ia.

"We find that everything connected with the making of our pay rolls can be done quicker, easier and better with the machine than it can be done by hand. The saving will amount to about 50 per cent."

Seneca Camera Company
Rochester, N. Y.

"If we had our business to live over again we would install the Burroughs system many years earlier."

J. A. Robblee & Co.
Bicycles **Tacoma, Wash.**

"We have been using the Burroughs Bookkeeping system for about six months. We are so pleased to have found a system by which we know at all times where our business stands that if it should cost double the amount it does, we would have it."

Burroughs Accuracy Pays

THE endorsements on these two pages show just how important adding, bookkeeping and calculating machines are in business today.

In every one of these concerns the principle of figure accuracy long ago was recognized as one cornerstone necessary to sound business building, and every one of them has secured that accuracy through a means open to you—the installation of the proper Burroughs machine for the work to be done.

No matter what line of business you are in—whether it be retail, wholesale, manufacturing or any other line, or whether it be large or small—you must have essential figure facts to conduct that business profitably.

Standard Oil Co.
Cincinnati, Ohio

"We have found that the installing of the Burroughs has revolutionized our ledger work and has enabled us to send out our statements seven or eight days earlier than formerly."

Emerson & Morgan
Coal Dealers **Baltimore, Md.**

"We find use for our Burroughs every moment in the day in our billing work, rendering of statements, checking and proving postings, proving cash balances, taking off trial balances and general recapitulation of our monthly hauling account."

Rubberset Company
Newark, N. J.

"Our Burroughs saves fifty per cent of the bookkeepers' time, eliminates errors and produces a neatly printed ledger page for each customer's account."

H. G. Schneider
Retail Groceries **El Paso, Texas**

"Last January 1, I installed a Burroughs Bookkeeping Machine and find its work far superior to the old system of hand posting. The saving in time is in itself an item worth the expenditure and besides I can always be sure that my books are correct."

Adding—Bookkeeping—Calculating Machines

Burroughs

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Their Figure Work

Porcupine Market
Meats **Billings, Montana**

"We use the Burroughs to save our time and money and because we can depend on it."

Amos-James Grocery Company
St. Louis, Mo.

"The Burroughs machines made it possible to catch up with twenty days' back posting and to get out trial balance early in the month. Now our accounts are balanced each day and our trial balance is a certainty."

Rodney-Wilcox Dept. Store
Cohoes, N. Y.

"It would be very difficult for us to get the essential facts about our business without the aid of the Burroughs."

Hollinger & Larimer
Clothiers **Chariton, Ia.**

"We know by experience that one bookkeeper with the aid of a Burroughs does the work that otherwise would require two bookkeepers. The machine has paid for itself and much more each year we have had it."

Good & Reese Co.
Florists **Springfield, Ohio**

"We have cut expenses in our bookkeeping department enough during the last year to more than pay for the Burroughs. We haven't found a mistake in our accounts since adopting the Burroughs ledger posting system."

Jones-Brewster Company
Commission Merchants
Houston, Texas

"We find the Burroughs a great time and labor saver in figuring account sales, making out bank deposit slips, petty cash disbursements and payments on account, footing columns in the ledger, proving cash and taking the trial balance. For figuring account sales alone it is easily worth its price, because this work would take three times as long if done by hand."

The VanDusen-Harrington Co.
Minneapolis, Minn.

"With the Burroughs we keep our ledgers in perfect balance. Any detail of our grain commission business can be told at a glance. Our monthly statements made with the machine are mailed on the first of the month. This is a feat we were never able to accomplish with hand-made statements."

Wright & Company
Wholesalers **Miami, Fla.**

"Burroughs machines have furnished us a saving in time so that we were able to cut down our office force during the busiest season. Our bookkeeper is able to attend to all the shipping besides taking care of his work. The volume of business the first month after our shipping clerk left was the largest in our history, yet the bookkeeper handled it easily."

J. J. Castellini
Wholesale Produce **Cincinnati, Ohio**

"We cannot praise Burroughs machines too highly. We recommend to both small and large businesses the Burroughs equipment."

Rochester Electrical Supply Co.
Rochester, N. Y.

"If at any future time increase in business demands further enlargement of our accounting methods, we will certainly install no other than Burroughs equipment."

in Every Line of Business

It would be a big job to get those facts, and get them accurately, if it were not for machine methods of figuring.

Burroughs machines fall into three great classes—adding, bookkeeping and calculating—a machine for every figure job. Why not let a Burroughs man help you select the machine best suited to your own particular needs? He can help you to attain the same satisfactory results as those concerns whose names appear on these two pages.

Consult your banker or telephone book for the nearest of the 213 Burroughs offices throughout the United States and Canada, or write direct to the home office at Detroit.

Vaughan & Marcy
Jewelers **Greenville, S. C.**

"Conservatively speaking, our Burroughs saves over fifty per cent of the time on figure work. It is worth its price at inventory time alone."

Monypeny-Hammond Co.
Wholesale Grocers **Columbus, O.**

"The Burroughs machine saves each of our two bookkeepers at least ten days each month—time that used to be spent in hunting for errors, figuring and extending balances, and numerous other operations which the Burroughs has eliminated entirely."

Baker, Murray & Imbrie
Sporting Goods **New York City**

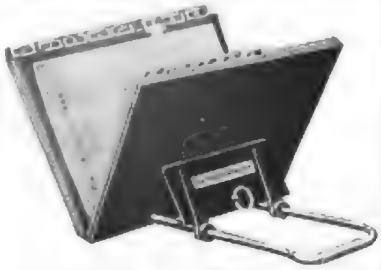
"We are convinced that mechanical posting is the solution for bookkeeping problems and we gladly recommend the Burroughs Ledger Posting Machine to all business men."

Molony & Carter Company
Charleston, S. C.

"We heartily believe in 'rendering to Caesar the things that are Caesar's', and if anyone is in doubt about the great value of Burroughs machines we will be only too glad to have him visit our office and see what Burroughs machines have done for us."

Adding—Bookkeeping—Calculating Machines

Burroughs



INSTANT REFERENCE FILE

FOR

Letters, Invoices, Requisitions, Back Orders, Follow-ups, Bills of Lading, Stock Sheets, Ledger Sheets for posting, or any other matter needing classification—alphabetical or numerical.

Handles all ***Current Papers*** so they may be located ***Instantly.***

Made in all sizes and indexed as desired.

Desk Files and Card Systems

that save Time and Space.

Portable ***Sectional***

THE KOHLHAAS COMPANY

Manufacturers

Lake and Dearborn Streets Chicago

Detailed information on request.

SEND for Our Dummy Package

—Gratis



The package will be mailed to you under second class postage *and the letter that accompanies it will go first class.*

Both will start *together,* reach you *together.* Because the letter will be affixed to the package by the

Shuman Mailing Attachment

In the package will be one of the attachments (as a sample) and a booklet explaining the simple operation that

saves time; increases sales; reduces waste; speeds up clerical help!

The cost of the Shuman Mailing Attachment is trivial compared with the results that you'll get. Now used by many firms that endorse it enthusiastically.

The dummy package is free!

If you value your sales letters and their opportune appeal, send for this package today.

THE FRANK G. SHUMAN COMPANY

Mfrs. of Labels, Boxes, Paper Specialties

168 No. Michigan Ave. Chicago, Ill.

Tax on Mud or Profits on Roads?

(Continued from page 31)

marked highway, connecting communities for thousands upon thousands of miles. It brings the tourist with his expenditure of $1.25 an hour. It is worth more to a community than the ordinary railroad. It brings from a distance potential investors and home-seekers. It makes neighborhoods of states at distant ends of the country. It is the thin string that binds Louisiana to Minnesota.

The ordinary motorist is lost when he gets fifty miles or a hundred miles from home. If he can follow the pole marks or steel signs and glance occasionally at a road log published by the highway association, he is always at ease and "at home," although he may be thousands of miles from his screened veranda. He may not know of your fine system of roads. He will surely find it if the marked highway passes over them. If he started out to follow the directions given him at each town and cross-roads, he would spend a lifetime going from starting point to destination. But with plainly-marked and properly-charted trails he may travel from north to south, east to west, and 'round about, following the constant beck of the same invisible hand.

Suppose that a thousand tourists stop in your city during the year, each spending a night there. Do you know that experience shows that each one leaves with you not less than $5, and that the usual average is nearer $10? It is all new money, too.

And remember this: tourist travel is increasing each year. Senator T. E. Cashman, of Owatonna, Minnesota, recently purchased a farm on a great national highway, paying $50 an acre more than he would have had to pay for a place just as good in every other respect, but two miles off the trunk line.

"Tourists pass our place from every state in the Union," he testified, "as well as portions of Canada. During August and September a car a minute is not uncommon during several hours of the day."

Senator Cashman maintains a "show window" along the highway. Pure-bred Hereford cattle and high-grade nursery stock are displayed in his open-air "silent salesman." He is only one of scores of farmers who are utilizing national trails as advertising mediums. D. M. Gregg, a pure-bred Shorthorn cattle breeder of Harrisonville, Missouri, dresses his "show window" with green grass, white barns and glossy red and white animals.

"Since the Jefferson Highway has been marked by my door," declared Mr. Gregg, "sixty per cent of my sales can be traced directly or indirectly to my show window. Men touring by stop to see the herd. They come from many states.

"One of the things which has amazed me," he said, "is the number of well-to-do farmers who tour with their families for a vacation. Kansas, Iowa and Nebraska are all neighbors of Missouri, and it is said their inhabitants could all go motoring at once, so thickly have the automobiles become. Farmers from Minnesota, Dakotas and Canada have also visited me. I can see in the improvement of roads, the marking of highways and wide use of automobiles, a better distribution of good animals."

While the following may seem to be a bit extraordinary, it emphasizes the fact that well-marked, well-established, well-organized highways have a very healthy influence on land values. Herbert L. Leathers, of Hope Villa, Louisiana, having bought a place on the so-called model road, fourteen miles southeast of Baton Rouge, and having paid $22.50 an acre for 40 acres, a total cost of $900, was offered $2,000 immediately after the road was graveled. He refused this offer. Since the Jefferson Highway has been established between New Orleans and Winnipeg, he states that the land in that section, on the International Highway, has increased greatly in value. Last spring he was offered $3,200 for the same forty acres for which he paid $900.

Nothing so much as good roads has brought to the farmer and the merchant the vital knowledge that each without the other was handicapped. The ordinary farmer has as much capital invested as his friend, the merchant. They are both in business.

Roads to each are very necessary. They need them because they are an essential part of their business. But why not, while building roads for the direct benefit that can so easily be seen, take advantage of the "gravy" that comes with a good national highway? The hundreds of communities that are thereby linked together all get goodly shares of a business that "just comes."

Mr. Business Builder, look to the indirect as well as the direct return on the most valuable investment on the market today—365-day roads.

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Pioneers on uncharted seas—

Far back in the old days, when you were a little codger at school, how you thrilled at the story of Columbus!

How he sailed straight into the horizon, when every one said the world was flat! How his men feared they would come eventually to the edge and drop off! How one fine day came the gladsome shout of—*"Land! Land!"*

Fundamentally—the story of Columbus is the story of every successful business. Always there was some pioneer—some man with a vision—some discoverer:—some one who charted the course for generations to follow.

Years ago, scientific filing was little more than an undiscovered country. Letters, reports, memos were filed flat or on hooks. But as business grew, there came the need for more system. And out of that need grew Library Bureau.

So it was that Library Bureau originated vertical filing—the card record system—the card record desk—counter-bight units—the L. B. Automatic index—and practically all the filing methods that are accepted as standard the world over.

L. B. is today the world's largest manufacturer of card record and filing equipment. Its forty-three years experience will keep you off the rocks and shoals and insure safe passage through all your filing difficulties. ***Write for booklet #738 WO-P.***

Library Bureau

Card and filing systems — **Filing cabinets wood and steel**

Founded 1876

Boston 43 Federal street

New York 316 Broadway

Philadelphia 910 Chestnut street

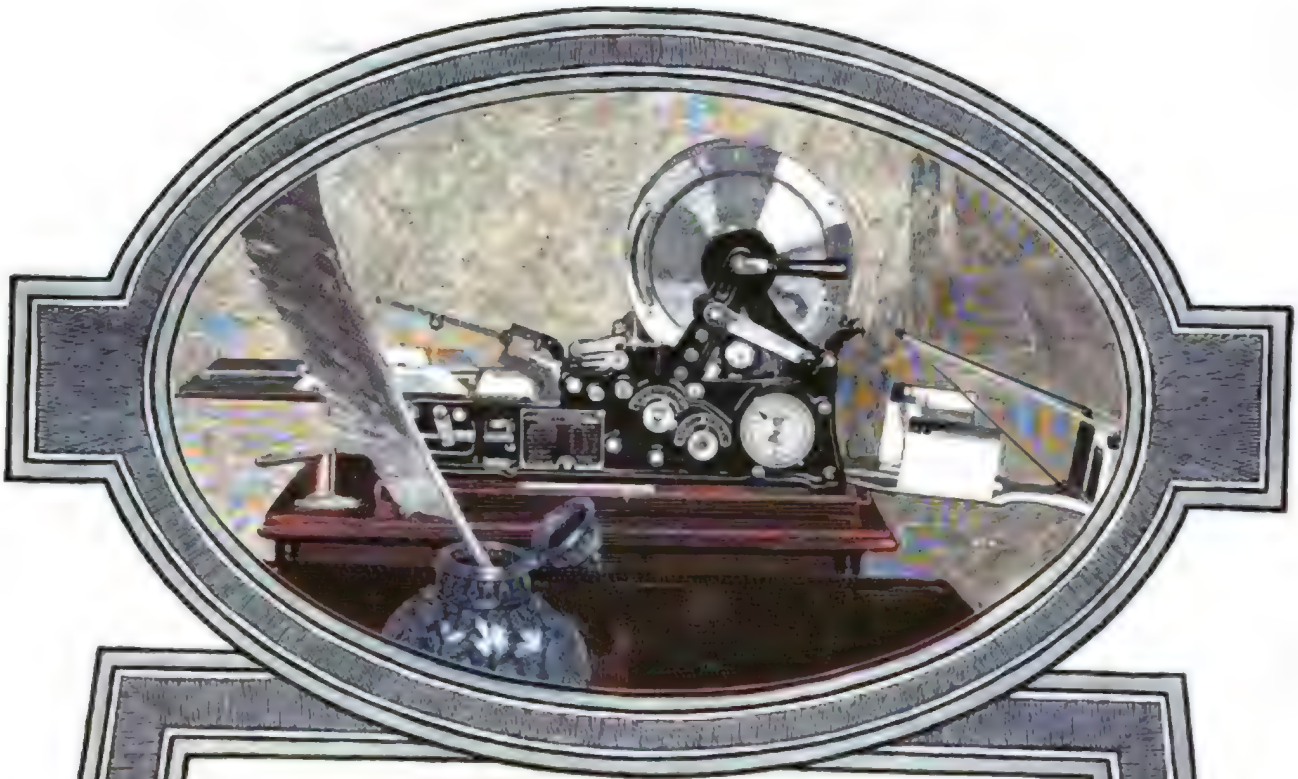
Chicago 6 N. Michigan ave.

Albany, 51 State street
Atlanta, 103 N. Pryor street
Baltimore, 14 Light street
Birmingham, 2305-6 Jefferson County Bank bldg.
Bridgeport, 989 Main street
Buffalo, 120-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 202 Hubbell bldg.
Detroit, 400 Majestic bldg.
Fall River, 29 Bedford street
Hartford, 28 Pearl street
Houston, 708 Main street
Indianapolis, 232 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 620 Caswell Block
Minneapolis, 428 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 637-639 Oliver bldg.
Providence, 76 Westminster street
Richmond, 1222-24 Mutual bldg.
St. Louis, 223 Boatmen's Bank bldg.
St. Paul, 138 Endicott arcade
Scranton, 405 Council bldg.
Springfield, Mass., Wheatley bldg.
Syracuse, 409 Dillaye bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N. W.
Worcester, 316 State Mutual bldg.

Distributors
San Francisco, F. W. Wentworth & Co., 49 Market street
Los Angeles, Wiley B. Allen Co., 446 [illegible] bldg.
Dallas, Parker Bros., 109 Field street

FOREIGN OFFICES——London Manchester Birmingham Cardiff Glasgow Paris

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'Twould be hard to reckon the millions of dollars that this little machine is *saving* for American business. Always a quick and economical way of duplicating all kinds of typewritten letters and forms! But with the arrival of the new Dermatype stencil—"a thin sheet of dark-blue paper"—the Mimeograph becomes tremendously more useful. *It does finer work.* And, as the new stencil is practically indestructible, it does quicker work—and cheaper. Also it easily prints maps, plans, designs and the like—opening new possibilities for development. In thousands of American industries the Mimeograph is now effecting essential economies. Cogitate! At this crucial time don't you think it worth while to investigate what it can do for you and your business? All information—and catalog "B"—from A. B. Dick Company, Chicago—and New York.

EDISON-DICK MIMEOGRAPH

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BUSINESS



Burroughs Adding Machine Company

Detroit, Michigan

THE MILLER RUBBER CO.

TIRES
TIRE ACCESSORIES
DRUGGISTS SUNDRIES
MOLDED GOODS

CABLE ADDRESS
"MILLRUBBER"
ABC 5TH EDITION
WESTERN UNION
AND PRIVATE

ADDRESS ALL COMMUNICATIONS TO
THE COMPANY NOT TO INDIVIDUALS

IN REPLY PLEASE REFER TO WSC-MC

AKRON OHIO U.S.A. August 15, 1919.

Kalamazoo Loose Leaf Binder Co.,
Kalamazoo,
Mich.

WHAT KALAMAZOO HAS DONE
—IT CAN DO—

ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, FIRES OR ANY OTHER CAUSES BEYOND OUR CONTROL. ALL PRICES SUBJECT TO CHANGE WITHOUT NOTICE

Gentlemen:-

We have been successfully using Kalamazoo equipment with our Bookkeeping Machines for more than two years. We have seventy ledgers and have recently installed the third Bookkeeping Machine. Prior to receiving this machine we handled more than fifty thousand items in one month on the two machines.

It is nothing unusual for our operators to post at the rate of three items per minute, and they frequently average four items per minute. This rate of speed is not attainable except when the ledger equipment is such as to allow the sheets to be handled quickly and conveniently.

We firmly believe the Kalamazoo Binders are the best on the market and that with any other equipment we would not be able to satisfactorily handle our present volume of work.

Very truly yours,

THE MILLER RUBBER COMPANY.

W. S. Chaffin

Manager, Bookkeeping Dept.



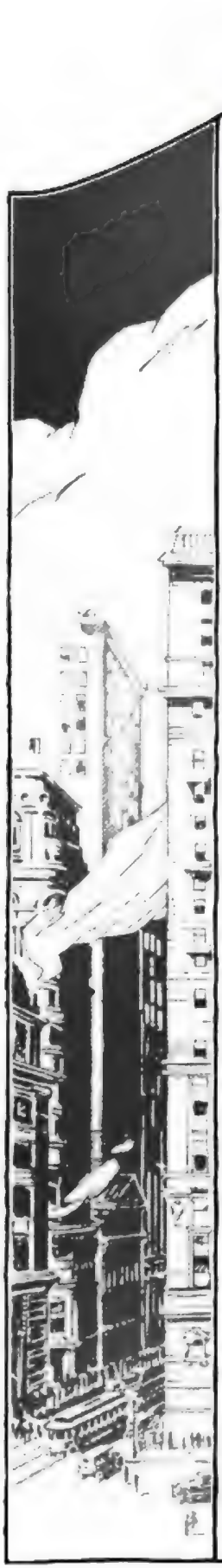
WRITE TODAY FOR BOOKLET, "A BIG DRIVE"
THE EXPERIENCES OF FIVE PROMINENT BUSINESSES.

Service Sales Offices
Everywhere

KALAMAZOO
LOOSE-LEAF-DEVICES-AND
ACCOUNTING-SYSTEMS

KALAMAZOO
MICHIGAN

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BUSINESS

Vol. 1, No. 3 — December, 1910

Lucien Kellogg, Editor — P. P. Martin, Business Manager

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Published monthly in Detroit, Michigan



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Glimpses of John Wanamaker's Philadelphia Store

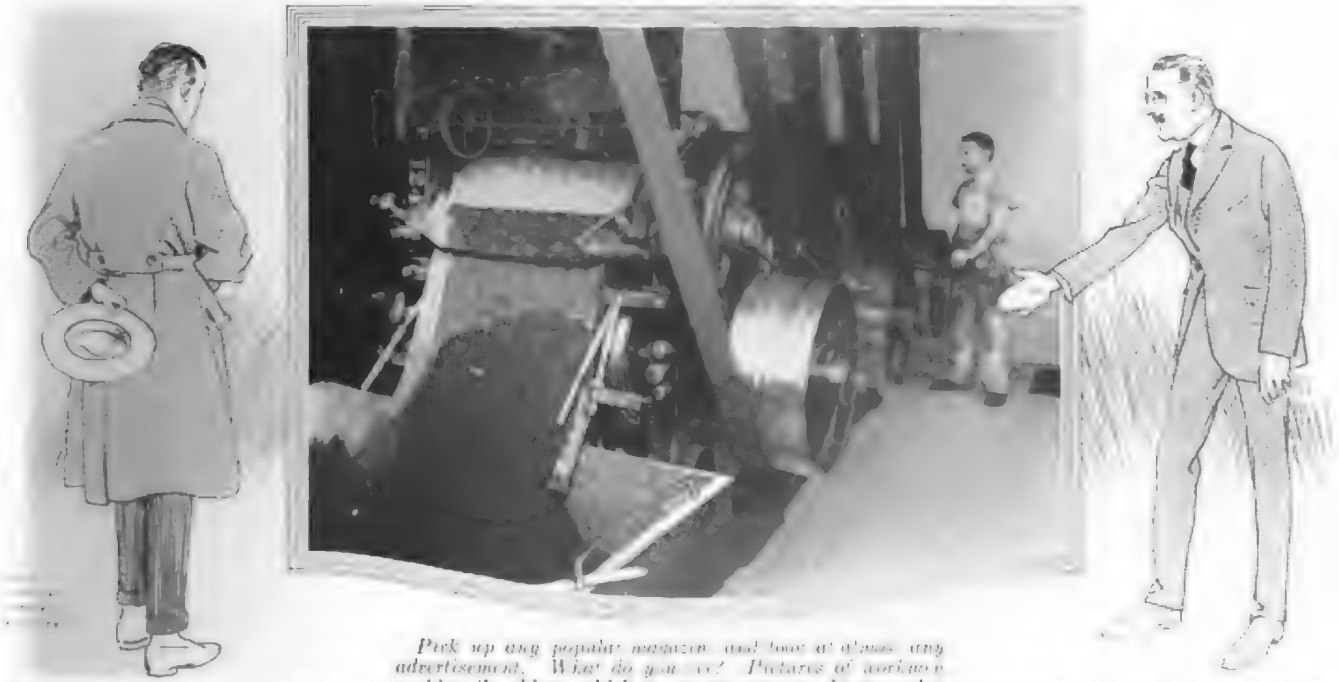
(1) Corner of Mirror Room, where private luncheons are served. (2) Arch on first floor, overlooking Grand Court. (3) In the wicker furniture section. (4) Subway display window. (5) The pipe organ, from the balcony on the first floor. (6) Corner in the Oriental rug section. (7) Juniper Street entrance, looking towards city hall.

[*See Story on page*]

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Welcome to Our Factory

By W. LIVINGSTON LARNED



Pick up any popular magazine and look at almost any advertisement. What do you see? Pictures of workmen making the things which we use or consume in every-day life. Skilled photographers take the mechanic's picture as he works and high-priced artists draw him in every pose. In thus glorifying Labor and throwing the limelight upon its sometimes homely duties, manufacturers are accomplishing two purposes:

First, they are winning the good will of the Man on the Job by telling his story as it has never been told before, and thus permitting him to share in the spirit of institutional advertising.

Second, they are giving dealers, salespeople and consumers alike an intimate knowledge of the details of manufacture, to the benefit of all.—Editor.

THE day of the salesperson who is not familiar with essential details concerning the lines he sells is almost over. Advertising has forced a new regime and a new type of Man-Behind-the-Counter. It is just as well, too, for it is far easier to sell when both salesman and consumer are thoroughly familiar with some of the things that go on behind the marvelous drop curtain of manufacture.

The situation is illustrated by what has happened to the merchandising of milk. It was a foregone conclusion that the price would have to go up. The farmer had not been making enough out of it to justify the infinite trouble and expense of raising pedigreed cattle and seeing the link forged between dairy and the milk-bottle-on-the-dumb-waiter.

When gradual upward tendencies were observed on the lines of the price chart, the public raised a rumpus. It put the entire business down as a profiteering imposition and outrage. Then certain dairy associations and manufacturing enterprises decided to advertise just why milk could not be produced at the same old scale of prices when everything else on the top side of earth was boosted including the wages paid the farm hand.

There were no fine-sounding phrases and tricky arguments. Simple, earnest copy told the truth about the situation. The story of the dairy was put into type for the first time. The housewife learned that there was more to milk than a neat, sealed bottle every morning at six. Incidentally, the campaign is selling more milk and more actual uses for milk.

When it was necessary, in certain cities, to raise the telephone rates, a simple expedient was tried. Talk about the telephone as a useful part of civilization gave way to cold facts. It was absolutely necessary to get more for this service because it was costing more to give service. Vivid illustrations were prepared, showing comparative costs, yesterday and today, of everything from wire to wages. In other words, the telephone companies came out with a frank, heart-to-heart discussion of their problems, and mingled with it was a description of the mechanics of carrying the human voice from one point to another. It was discovered that not one man in a thousand had any idea of the intensely complex character of the job. It had always seemed so easy to pick up a receiver and ask for a number—and, in a moment, to hear that pleasant response from the friend at the other end of the wire.

It was vastly easier to raise rates, once the city came in sympathetic touch with what lay back of the curtain of the telephone business. And it was not unusual to hear people say, "I had no idea they had to go to all that trouble to give service; I don't see how they do it for the money."

Advertising, as we find it today, is largely instructive. Out of one hundred important national campaigns running in our newspapers and magazines at this time, 80 per cent of them feature the production end. The reader the consumer is taken behind the scenes. He goes into the factory and sees the goods put together. He is initiated into the highly important Order of Know-Hows. If it is necessary to picture the units of this production, then artist or photographer are sent to the factory for suitable material. Advertising, in its twentieth century version, forms a highly interesting textbook of technical schooling.

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Bread coming from ovens, Occident Baking Company, Minneapolis

When this experiment was first tried out there were wiseacres who predicted failure. The public would not care for such facts. If a woman could buy a handsome rug and was assured of its inherent quality and workmanship, she would not bother with looms and facts about dye. Why clutter up small space with stories of China, silkworms and oriental craftsmanship in selling a rare fabric?

And in the midst of this discouraging viewpoint a number of manufacturers deliberately did the thing. Not only did advertising campaigns carry the technical facts, but well-groomed brochures, printed in de luxe style, went at it still more systematically. Mrs. Rug Buyer soon came to know enough about the manufacture of rugs to buy with more discrimination. The topic interested her.

Silk? Advertising went at the subject with microscopic care. The very word began to mean more to the consumer. Milady respected the trade and its output. She never realized before, among other things, that experts examine every inch—every yard—for the slightest flaw. She never knew the scientific wonder of the silkworm and the long trays of leaves where the living weavers ate their fill.

And then, to make the circuit complete, these manufacturers said to themselves, "We must do more than educate the public; we must also acquaint the dealer and his selling staff with the same facts. But first, it will be interesting to discover what proportion of men who sell goods have even a smattering of information. We will start an investigation. We will gather data for our own files."

A salesman in a silk department was bluntly asked some leading questions about silk, its history and its manufacture. Poor chap sorry, but that was not in his line. He knew prices and how to handle a customer, but he was not sure whether silk was made on a loom or Chinese spinning wheels. Yes, silkworms came in somewhere. Maybe they spun the thread! Would he like to learn these things? Most assuredly!

And so several silk houses printed books for salesmen to read. And the salesman was told to talk something more than price and color and weight and the deadly round of counter persiflage. It would win the respect of the customer. It would make it easier to sell the silk.

All of which worked out exactly as had been hoped. The mental morale in stores has been raised very noticeably. Salespeople are making it their business to obtain information. It remains for the store manager to encourage this and lend every assistance within his power. He must see that his salespeople do get down to merchandising bedrock, whether they take to it kindly or not. It's part of being an efficient salesman.

There is genuine romance in how lines are manufactured—more than you would imagine. The smallest product has its unique production tale to tell. It may require fifty operations to make a parlor match or one hundred different machines to assemble a Mazda globe. Things look exceedingly simple and uninvolved as they come to us on shelves and in show cases. We seldom give a thought to the superlatives of skill behind that completed and cartoned line.

Scene—Branch office of a tire concern with an exclusive agency. Enter customer. It is a difficult sale with an exacting customer unconvinced.

The conversation switches to the factory end. There is where the mileage is put into a tire. Adjustments on the road are not very consoling. You want to know that the rugged strength has been manufactured into that tire.

The salesman grows interested in his own line of argument. He describes the processes of making the tire from the time the crude rubber is received at the plant, on through to the storage rooms. There are dramatic incidents. What of the corps of trouble men who do nothing but pass from one machine to another on a still hunt for faults in construction? Tires, all but finished, are torn down and started over again. That's the stuff that mileage is made of. And the customer listens with profound respect for the knowledge that is being imparted. He has more confidence in both tire and dealer. The sale is made—is clinched for many sales to come.

But how did the dealer know these facts, facts that rang true? The sales manager invited dealers to the plant. They came in sets of a dozen each, from all parts of the country. They were entertained and shown through the plant, from end to end. And they came out at the other door with a new enthusiasm!

It has come to pass recently that advertising glorifies the laborer—the producer. You see more pages keyed to the tune of man and machine. Nothing, by the way, will tend to stabilize the labor situation more than this. Too long this sturdy fellow has felt his neglect. Within the last few months, almost a hundred manufacturing enterprises have leagued together to tell the public, through advertising, Labor's part in merchandise.

This permits of the very type of educational copy that is the theme of our suggestion. The great doors of the factory are thrown wide and the public is made welcome. Come right in, folks, and see what we are doing and how we do it. Here are the men who achieve these results. It isn't always as easy to make these articles for you as you think.

A number of years ago, when Shredded Wheat was first put on the market, difficulty was encountered in educating people to eat this decidedly different form of food. It was new to them. "Straw" was the shoulder-shrugging response to all advertising appeals.

Whereupon Shredded Wheat put "Welcome" on the mat at the factory at Niagara Falls. Visitors could see the biscuits made. There was a beauti-



Filling and soldering cans of cocoa, Rockwood Company factory, New York

fully complete and immaculate dining room, where tidily-dressed girls served Shredded Wheat. And those who took advantage of the offer told others. "You must see how Shredded Wheat is manufactured. Go over and have a look. It's well worth your time." Thousands upon thousands of persons see the process every year. Since this scheme was adopted there has been no trouble selling the product.

The Heinz Company and other food firms of national importance have looked with favor upon public inspection of their great organizations. It sells goods.

When it was seen what advertising had accomplished during the war, for the governmental departments, both the advertiser and his agent sensed the greater mission of it for the future. It was to do more than merely sell merchandise. It could correct faults; it could as easily sell labor's story to capital and capital's story to labor, as it could sell the spirit of divine love that made a nation contribute so liberally to the Red Cross—made, in fact, the millions of America stop everything to snatch up the flaming sword.

Step by step it advanced—this new order of things. The man behind the appropriation for advertising was cautious—a bit selfish, perhaps.

And the initial step was what is known as "institutional advertising."

"Why advertise at all," said the manufacturer, during war times, "when we can't get out the goods?"

"For the very simple reason," answered the advertising man, "that this war will not last forever. The public forgets rapidly. Why lose the accumulative value of many, many patient years of consistent advertising?—and lose it you will, if you stop now. It would mean virtually starting all over again in business—the business of educating your market. No; now, more than ever, you must advertise. But do not advertise goods; advertise your institution. Tell what it means to the country. Delve into its past, its promises of the future, its mechanical problems. And show how the goods are made when you do make them."

Thus came an era of institutional advertising on the part of almost all manufacturers. It had not been going long before they liked the taste of it. Moreover, it was exceedingly successful. And it kept backward plants squarely abreast of the times, war or no war. There was no forgetting them.



Separators on asbestos products factory. Ekenberg Company, Cortland, New York

As labor became more exacting, due to insidiously complex conditions brought on by the four years of conflict, the advertising man saw that, in his profession, lay a powerful weapon of self-defense—Education. There was an even more subtle reaction to the plan in mind. All human beings, high or low, like to have their work appreciated. The watchmaker, hidden away in his small-town factory, was a hero only in his own crude domain. The outside world never heard of him, never knew his art, his craftsmanship.

And so Waltham, in a series of beautifully executed etchings by a famous artist, who was sent into the very plant to obtain the inspiration for them, lifted that humble watchmaker from his obscurity and sent him out across the map, duplicated not once, but millions upon millions of times, measured only by the limit of speeding presses and the enormous circulation of popular magazines.

That watchmaker had the satisfaction of knowing, at last, that the completed watch in the jeweler's case or the owner's vest pocket was not the sole recipient of merchandising honors. He, the man who made the cogs and the plates and the springs and the hands—he who put the spark of life into it, the soul, was known wherever man can read. And he was happy because of this knowledge—more contented at his work bench.

It has not stopped with Waltham. In every industry you will find the Man-Who-Makes-the-Thing glorified. He is shown at his lathe and his steel-puddling, at his paint-pot or his jet of living flame, on the job. The article is advertised through him. And the manufacturer says: "See, this thing you buy, Mr. Consumer, is a just and an honorable bargain. We want you to go into the plant with us and meet the men who produce it. We are proud of them, and they put pride into that which you buy."

From the time The Hydraulic Pressed Steel Company issued its famous advertisement, headed, "ARE MEN SQUARE?" manufacturers saw the light, and the word went forth from every advertising agency and to every manufacturer: "One of the finest things we can do is to carry our institutional advertising farther than it was ever carried. It must humanize the factory. It must give the producer a square deal. He has been an unknown quantity far too long. But in giving him credit, we build prestige for our goods. The public should know these men and how they work. It is MUTUALLY beneficial. Let's ALL do it." And they're doing it.

Campaign after campaign is planned, as a means of helping the dealer, wherein "A Visit to the Plant" is the basic and underlying idea of a series of advertisements. Large bread houses have been fortunate in their handling of this scheme. After reading the manufacturer's message, the housewife knows why human hands never touch the white loaves.

A jewelry house, producing enormous amounts of merchandise, sought some connected stunt for its trade paper publicity. And it was not until the eleventh hour that someone suggested "The History of Platinum" in a set of six full pages.

When we teach both consumer and salesmen the big, human, technical facts concerning merchandise, we bring them close together. They may talk on common ground and with clearer understanding.



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Turkish cigarette cork-tipping machine, P. Lorillard Company, New York

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So This Is Wanamaker's

By JUSTIN TOWNE



OUR PARTY numbered forty persons when we abandoned the elevators, filed up the last narrow flight of stairs and emerged on the top of the Wanamaker building, like a tribe of prairie dogs coming up for air. About us lay a broad expanse of roof, studded with ventilators, wireless towers, water tanks, tops of elevator shafts and all the other warts and excrescences that clutter up the roofs of modern big buildings.

I turned to Mr. Jones, our guide, and asked, "Where are the eagles?"

"Eagles?" he repeated; "what eagles?"

I waved my hand in the general direction of five immense cages, all empty.

"Those cages," said Mr. Jones, "are the property of the John Wanamaker Commercial Institute, composed of the younger employees of the organization. That is where they play basketball and tennis. Observe, too, the oval track, ten laps to the mile, for track events. Over here we have a straightaway track for the sixty-yard dash."

We wandered to the railing near the edge of the roof. A short distance away and slightly above us stood a statue of William Penn, surmounting the tower of the city hall. With his right hand extended, palm downward, he seemed to embody a spirit watching over the fortunes of John Wanamaker. Below us lay a sea of less ambitious roofs, the roofs of the City of Brotherly Love. On the east we could see the edge of the city, bounded by the meandering Delaware, but to the north, west and south the outskirts faded away in the distance and blended with the purple haze.

Our guide pointed out the exact spot, away down Market Street, where Mr. Wanamaker opened his first store in 1861. He told us Mr. Wanamaker's sales for the first day totaled $21.60, and that on the following morning he stepped out and invested all but the 60 cents in advertising.

Mr. Jones knew a lot of other figures pertaining to Mr. Wanamaker's business, and he began to fire them at us in broadsides.

"The Wanamaker store is twelve stories high," he tells us, "and its framework contains 27,000 tons of steel. The store employs 6,200 people at all times, and between 1,200 and 1,500 more during the holidays. It covers 2,000,000 square feet and is served by fifty passenger elevators and sixteen freight elevators. It has a refrigerating plant consisting of two 75-ton ice machines and an electric plant with a capacity for lighting 55,000 incandescent lamps of eighteen candle power each.

"The depth of the building is 317 feet. That is, it is 247 feet from here to the street level, and the basement goes down seventy feet below that."

I edged back from the railing. Even allowing for the rebate of seventy feet, I decided that 247 feet is too far for a man to fall at one time, although Mr. Jones assured me that the Wanamaker hospital is one of the finest and best-equipped in the country.

Rain now begins to fall, so we scurry to cover, duck our heads and file back down the stairway.

We follow our guide through a labyrinth of boxes and crates in the invoice department on the eleventh floor, go down some more stairs, and stop in front of an immense vault. Mr. Jones brings forth a key, unlocks a door, and—heavens, how cold it is! We step inside and gaze upon 60,000 furs, stored here by Mr. Wanamaker's customers and valued at $3,000,000.

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The floor is completely hidden by furs, carefully spread out, and three balconies are lined with them. Beautiful furs, too; but b-r-r-r!—what a cold winter we're having! No wonder; Mr. Jones consults a thermometer and reports that the temperature is ten degrees above zero. Mr. Wanamaker certainly does his best to make those furs feel at home.

The chief attraction on the next floor below we found to be Mr. Wanamaker's collection of paintings. Three big galleries there are, one each devoted to the Dutch, French and Flemish schools.

In front of Mr. Wanamaker's private office stands a statue of Joan of Arc, about which Mr. Jones told us this story. One morning soon after the United States entered the war, an elderly man was seen standing bareheaded, gazing with tear-dimmed eyes into the unseeing eyes of the image. For an hour or more he stood there, then he went away.

In a short time the old fellow returned, walking with head proudly erect and with the air of a man bent on fulfilling some purpose. From under his threadbare coat he drew a white carnation. Wondering shoppers and tourists paused to watch while he climbed the pedestal and placed the flower in Joan's outstretched hands. Inquiry revealed that he was a Frenchman, a veteran of the Franco-Prussian war of 1870.

On the eighth floor we found the Wanamaker museum. One of the most interesting features is a collection of pictures illustrating the various activities of the John Wanamaker Commercial Institute, and a relief map of the institute encampment at Island Heights, New Jersey, where training and recreation camps are held annually.

On this same floor is University Hall, an immense auditorium which Mr. Wanamaker has turned over to the institute. Near by is what I could easily imagine to be the world's largest kitchen. At any rate, we thread our way among countless ranges, tables and cabinets. Everything is shining and spotless: what a fine place to be assigned for "K. P." duty! We visit the Great Crystal Tea Room, which has a seating capacity of 1,400 people and which is only one of the many dining and tea rooms in the building. We look around and understand fully why they made the kitchen so big.

We follow our leader down another flight and march solemnly through a gray world of desks and office furniture and enter a fairyland of toys and lights. Great showcases are filled and covered with toys ranging from sawdust dolls to bicycles, motion picture machines, and warships that in portentous times to come will plough the waves and fire whopping big guns. Colossal false faces leer and grin at us from the flooring supports, and Japanese lanterns cast over all a soft and mystic light.

We soon find ourselves on the sixth floor, gazing down into the vast rectangular abyss that forms the Grand Court. One, two, three, four, five balconies we count between our own balcony and the main floor. For they don't consider the main floor worth numbering here; what they call the first floor is really the second, the second is the third, and so on up to the eleventh and topmost, which is the twelfth floor up.

At one end of the court is the world's largest pipe organ. It is playing now, filling the Grand Court, filling the entire building, with a tumult of sound.

We look and listen until Mr. Jones significantly pulls out his watch. For these tours are conducted on schedule time—at 9:30, 10:30, 12:30, 2:00 and 3:30—and we must tarry no longer.

One place that delighted the women was the Oriental rug section. Even the men loosened up and showed signs of life. Rugs everywhere, on the floor and on the walls; rugs of all sizes, of all kinds of texture, and in all combinations of color; rugs from China, Persia, Afghanistan, Baluchistan, and other outlandish places.

Rare pieces of Oriental art—paintings, antiques and chocolate-colored busts—further suggested the idea that Mr. Wanamaker, when he was on earth before, must have been a caliph, or at least a camel driver destined to rise. If somebody had only lighted a punkstick I could have closed my eyes and heard the sultan calling, "Bring on the wild women, Abdullah, and give us a little jazz."

Looking down at the rug on which I happened to be standing, and deciding that the thing would do in a pinch, although I might have wished it a little larger, I casually inquired the price. The price, I was told, was $1,275. Then and there I resolved to give up no more dimes to help educate the heathen. Proving how little the average person knows about merchandise, however, I found another rug that was quite within my modest means and which, to my untrained senses, looked and felt as good as the one priced at $1,275.

As we were leaving the rug section I









Upper right, Bronze Eagle, Grand Court, main floor. The eagle measures 9 feet 10 inches from head to tip of tail. It was made for the St. Louis Exposition and afterwards bought by Mr. Wanamaker for $10,000. Lower right, corner of the picture department, eighth floor. Lower left, Victrola section in the Egyptian Hall, second floor. Above, statue of Joan of Arc, which stands just outside Mr. Wanamaker's office

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observed that two young persons whom I took to be newlyweds were lagging behind. Our guide observed them, too, but if he felt any chagrin he kept it to himself and the party moved on without the newlyweds.

And now we come to the section devoted to home furnishings and interior decorations. We find complete bungalows completely furnished. We find model rooms, big and little, furnished in all degrees of splendor and in various styles of art. Here are experts who will plan the complete furnishing of either a hall bedroom or a brownstone mansion.

Perhaps, though, you'd rather plan your own furnishings and buy individual decorations. Very well, then. How would you like an Italian well-top? Here is a modest one made of marble and weighing only three tons. Will you have it delivered or take it with you? After you tire of using it as a well-top it will serve admirably as a paper weight. Observe that the side is covered with figures in bas-relief and that the rim is worn smooth by ropes that for no telling how many generations have drawn water through that narrow opening.

And how would you like to give your library the look of a room in a castle? This wall which we see and which appears to be a part of the premises is really a piece of merchandise, a wall from one of Europe's most notorious castles. Observe that the dark wood is carved with grotesque figures and mottled with sombre stains—factors which should make it congenial to the most fastidious of family ghosts. Notice this slit at the end and think with what security you could sit behind it and discharge arrows at midnight marauders or possible alien enemies.

Or maybe you're interested in statuary. What kind would you like to see? Shimmying sprites?—you'll find them in the art bronzes and statuary section, fourth floor. Simpering angels?—higher up—eighth floor. Plain and fancy idols?—Japanese section, fourth floor. Bronze eagles?—Grand Court, main floor. Images of the Wild Man from Borneo?—main floor, Market Street entrance.



In the kitchen furnishings department Mr. Jones indulgently permitted us to pause before a booth and watch a white-clad man who was demonstrating the Hamlinite potato peeler—patent applied for.

"This peeler, ladies and gentleman," White-cap announces, "will peel any kind or shape of vegetable. Pronounced by domestic science experts as the most thrifty device ever invented for the kitchen. In removing the eyes and defects, use the edge of the peeler or twist out with the pointed end, thus—"

The world's greatest pipe organ now started up, and in silence White-cap showed us how to remove eyes and defects. An organ passage played pianissimo gave him his chance, and he resumed: "Frequently immerse both vegetable and device in water, and rapidly and firmly scrub off the skin, and at the same time revolve the vegetable slowly, in order to peel with system and finish. The Hamlinite peeler will also scale fish—a discovery we made here at Wanamaker's. Simply take the fish in the left hand—" The organ was now booming again, louder than ever. White-cap halted his speech in the middle and sighed; what was the use? We moved on, to struggle through the rest of our lives in ignorance of the best and quickest way to scale fish.

We had not gone far when I suddenly remembered that I had promised my wife to bring back "something from Wanamaker's." I hurried back to White-cap's booth—for I am a man of my word. I got one of the Hamlinite peelers—patent applied for—and thrust it into my pocket with the conscious pride of a man who has redeemed a promise. Just as I was turning away for the second time I observed that two women, whom I recognized as members of our party, were approaching the booth, their hands in their purses. I had thought that by doing a little shopping on the side I was putting something over on my fellow tourists, but apparently I was mistaken.

My first glimpse of the cut glass department recalled the title of a popular book, "Acres of Diamonds." Here were ramparts, pyramids and mountains of cut glass whose facets caught the light and flung it back in a million dazzling gleams. One enormous piece—a punch bowl mounted on a pedestal—sat and shone in solitary grandeur. I longed to take the thing in my hands and heft it, and in fact was reaching for it when Mr. Jones sidled towards me and remarked in a strong voice that the price of the piece was $400. I withdrew my hands and hefted a 50-cent sugar bowl instead.

I was interested in the clothing department chiefly because of its size and because I went there seeking a shrine. Turning to Mr. Jones, I inquired, "Where is the spot?"

"Spot?" he repeated; "what spot?"

I told him the spot I meant. But maybe you haven't heard the story. First you must remember that although most department stores have evolved from dry goods stores, Mr. Wanamaker's is the outgrowth of a store that dealt in men's and boy's clothing.

In the good old days Mr. Wanamaker used to stand at the front door to bid his customers goodbye and to satisfy himself that each one had been properly fitted. Not infrequently he would stop a customer, declare that the salesman had not selected the proper size, and take the customer back to be refitted.

One man whom Mr. Wanamaker stopped in this fashion refused to return. Mr. Wanamaker insisted; the man still stubbornly refused. Mr. Wanamaker finally had his way, and when the man was taken back to the clothing counter it was discovered that the ill-fitting coat had been stolen.

Mr. Jones remembered the story, but explained that when the business was removed to the new building somebody carelessly forgot to remove the historic spot.

We were leaving the clothing department when I noticed that a large woman was elevating her lorgnette higher than usual and trying to catch the eye of some fellow tourist—movements which I diagnosed as symptoms of impending speech.

"And to think," she finally murmured, "that all this"—waving a fat and jeweled hand—"was built up by one man's genius."

Genius, yes, madam, to the extent that genius consists in knowing what people will want before they know it themselves, and in having it when they want it. Almost anyone who knows John Wanamaker, however, will tell you that he owes his success not so much to genius as to the homely and practical virtues of honesty and courage, aided by imagination. To be specific, they will tell you that what many good people consider the world's greatest retail store was built up on three principles which Mr. Wanamaker adopted early in his career and which in those days were virtually unheard of: one fixed price to everybody; absolute honesty in advertising and in labeling goods, and the policy of taking back merchandise that proved not satisfactory and



(Continued on page 28)

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Twenty "Sold" to One "Lost"

By WILLIAM CARGILL SPROULL

LOOK at the people who go out your front door. Have they bought your goods, or were they "lost"? And look at your salesmen. Are they selling 100 per cent of the customers you have worked so hard to get into your store, or are they selling a mere 50 per cent?

Claude Monsor, manager of the Louvre Boot Shop in Kansas City, has found these to be the real measures of retail business efficiency. The sales will take care of themselves. The customer the merchant must worry about is the one that is lost. You may think the salesman who turns in the most sales during the day is your best. He may be your worst. This is Mr. Monsor's theory—and he can support it by figures from his own business.

Daily and weekly sales slips in the Louvre Boot Shop may show that Mr. Keller sold an average of $125 worth of shoes and $6 worth of accessories each day. Mr. Wilkes sold an average only of $109 worth of goods. The natural tendency would be to rate Mr. Keller a better salesman than Mr. Wilkes.

In the Louvre Boot Shop it is not done that way. Mr. Monsor has a better way of judging his employees. He looks at the record of customers waited on by the two men and sees how many of those customers were sold. There he finds that Keller lost an average of four customers a day. Wilkes lost only one a day. The card shows they were on duty the same number of hours.

In the list of salesmen arranged on the basis of efficiency, Wilkes is near the top of the list; Keller is near the bottom. Wilkes, giving his best effort to every customer, was reducing the losses to a minimum, while Keller may have been rushing around from one to another to boost the total of his sales, even at the risk of losing a customer.

Large totals, of course, mean large commissions for the salesmen, but the loss of four sales a day is too costly to the store. You have spent years and much money getting customers to enter your store; it is up to you to see that they get good service from your salesmen.

Three years ago Mr. Monsor had a good shoe business in Kansas City; his sales were good; his turnovers were average. Then he installed a little system which checked up on the leak due to "showing but not selling," and now he points to a business that turns its stock from eight to ten times a year.

Clerks	Customers	Sold	Lost
Steele	𝍸 𝍸 /	𝍸 𝍸	/
Taylor	𝍸 𝍸 /	𝍸 𝍸 /	
Clark	𝍸 𝍸 /	𝍸 III - /	/
Fiske	𝍸 𝍸 /	/ - III 𝍸	-
Simons	𝍸 𝍸 /	𝍸 - III	//
Hook			
Tanner	𝍸 𝍸 /	𝍸 𝍸 /	
Rogers	𝍸 𝍸	III - 𝍸 /	
Underwood	𝍸 𝍸	𝍸 IIII	-
Johnson	𝍸 𝍸	𝍸 𝍸	
Black	𝍸 𝍸	III - - IIII	/
Treweeke	𝍸 𝍸	𝍸 //	///
Atkinson	𝍸 III	𝍸 - //	
Powden	𝍸 𝍸	𝍸 𝍸	
Samson	𝍸 IIII	𝍸 / - //	
Lamb	𝍸 𝍸	𝍸 //	///

Specimen chart showing how salesmen are checked up at the Louvre Boot Shop. Short horizontal lines indicate transfers

The system required no new apparatus and entailed the hiring of no new help. On a sheet of paper the names of the Louvre Boot Shop's sixteen salesmen are written. The names are arranged each week according to the efficiency of the salesmen the week before. One original and five carbon copies last a week. The names are in one column; column number two is marked "customers;" column three, "sold;" column four, "lost."

When a customer enters the store the floorman designates the salesman next on the list. When the customer goes out a sales slip comes to the floorman from the office and a mark is made in the "sold" column against the name of the salesman; if no slip comes up a mark is made in the "lost" column. It is a simple little operation, but it enables Mr. Monsor to tell at a a glance how many customers each salesman has waited on, how many were lost, and who lost them.

It is admitted that even the best salesman will lose some sales. Mr. Monsor allows each salesman three black marks each day. If the number exceeds three he asks for an explanation. The fault may be with the stock—perhaps a woman has seen a competitor offering a gray-tipped kid with a brown top, or perhaps she thought the price too high. If the salesman himself seems to be at fault, his weakness is located and treated; maybe he needs coaching in salesmanship, or maybe he isn't sufficiently familiar with the stock.

But in the Louvre Boot Shop it is seldom necessary to ask why three sales were lost. The delinquent salesman takes the matter to heart. By the time the black marks have been registered against him he is calling attention to them himself and asking for a suggestion. The rivalry for a place at the top causes the salesman to watch the chart closely.

The salesman who sells a pair of shoe strings or inner soles gets a commission on them as on other sales, but the sale is not recorded on the chart; that is reserved for the real sales—shoe sales. If one salesman finds it necessary to turn a customer over to another, the sale or loss is recorded after the name of the first salesman. There is an incentive, however, for each salesman to receive as many "turnovers" as possible, for he gets the commission without taking the risk. A customer turned over by one salesman to another is designated by a horizontal line placed in the "lost" or "sold" column after the name of the original salesman.

Except as the order may be broken by "call customers" the salesmen take customers in turn. A woman may ask to be waited upon by Mr. Atkinson; when Mr. Atkinson's turn comes on the list next time he is passed up. This plan gives all the salesmen the same chance.

When the system was first put into operation Mr. Monsor found that about 25 per cent of the people who came into the store went away without having bought. The check on the salesmen has reduced the figure to between 4 and 5 per cent.

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Dividends of the Melting Pot

By E. V. BUCKLEY
Director, Valley Americanization Committee, Sharon, Pa.

DO YOU have a "Little Italy" or a "Hunkeytown" in your city? Do you remember when you used to point out to strangers this transplanted bit of Europe and regard it with a feeling that you might have mistaken for civic pride? That has been a common practice in thousands of communities for the last twenty-five or thirty years.

In the meantime we have piled up in the United States a foreign population of nearly thirty-three millions—about one-third of the entire population. Of this number about thirteen millions were born abroad. Peoples from every country on the globe are represented here in the country which we like to regard as the international melting pot.



Part of Flag Day parade Sharon, Pa. Those carrying flags received first papers of citizenship after the flag-raising

For a long time Americans were led to believe that our national melting pot was some sort of an automatic machine into which flowed a vast immigrant horde and from which streamed out a vast intelligent American host. We seemed to forget that in order to make the process efficient it was necessary to "Keep the Home Fires Burning" under the caldron. Too many of these foreign strangers felt only the cold iron of the pot, which often chilled the spirits that led them to our shores.

Instead of meeting these people as real human beings who possessed the same worthy ambitions, the same hopes and fears, that we possess, we were prone to allow our sensitive natures to be asphyxiated by the unfragrant odor of garlic and to regard these newcomers as beings to be shunned. The result was inevitable. Misery loves company and the answer is visualized in the Little Italy, the Hungarian Quarter and the Russian Section, which sprang up like mushrooms and flourished in nearly every industrial section of the country.

In the course of events the home countries of most of these people became embroiled in war. Even then we failed to take stock of the quality of our population. In due time Germany and her co-partners in crime began to tramp on our American toes. At first it seemed unlikely that we should become involved in the war, but we soon realized that it was much more than a possibility. We began to talk about preparedness and to look over our land to see how we stood.

The first thing to consider was unity. Were we as a people really united? The question loomed up, are these foreign-born residents with us in sympathy? Here a munitions factory was blown up, there a bridge was destroyed. The German intelligence bureau was proving that it knew more about our foreign-born inhabitants than we knew ourselves.

Then, and not until then, did we realize the significance of our heterogeneous population. A period of quiet uncertainty followed, but our suspicions were confirmed by the whirlwind of events that followed. Out of the chaos came the realization that these people were to be considered and we began to hear the word "Americanization."

The Shenango Valley in the steel-making center of Western Pennsylvania offers a miniature of this great national question. Possibly, too, it offers some suggestions for the solution of the problem. In that community of about 50,000 population, embracing the boroughs of Farrell, Sharon, Sharpsville and Wheatland, the percentage of foreign population is about 50 per cent. In Farrell, a steel town of about 17,000, nearly 65 per cent is foreign. Practically all of these men are employed in the mills where munitions and war supplies were made and where the skeleton of reconstruction is being moulded. If Americanization was needed anywhere in the states, certainly it was and is needed in those four boroughs.

The gravity of the situation created by the presence of these foreign-born people was realized simultaneously by the Sharon Chamber of Commerce and the Farrell Commercial Club, and it was this realization that resulted in the forming of the Valley Americanization Committee. This committee, in turn, recognized as the all-important first step the need of schools to teach to foreign-born inhabitants the English language and American ideals. The announcement of the plan was met with the assurance of hearty co-operation by the industries and the school boards of the four boroughs.

The use of buildings with light, heat, janitor service and the usual equipment was immediately pledged. A fund necessary for carrying out the plans for the first year was estimated. This fund was underwritten by the Sharon Chamber of Commerce and the subscription, apportioned among the industrial plants according to the number of men employed in each, seemingly was welcomed. At any rate the money was raised in a short time. Due to a warm spirit of co-operation and a willingness on the part of everyone who was asked to boost, teachers were obtained, supplies were ordered, mills, churches and clubs were canvassed for students, and everything was ready when the school doors opened for the first time on April 2, 1917.

The first night was better than a three-ring circus. Just imagine for a minute what it would be like. In one building in Farrell more than 200 men appeared in groups of from two to ten or fifteen. Most of them were dressed in their working clothes, smeared with ore dust and grease—just as they had left their jobs. In the crowd were men of all degrees of education, from the dumb-looking illiterate to the Moscow graduate who came to learn only to speak better English. New immigrants always betray a fear and distrust of large buildings. So they did in this instance, but the timid were reassured by those who had been in

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this country longer and had become to some slight degree familiar with American institutions and ways.

That was the nature of the crowd that had to be classified and stationed in the proper rooms. Three rough classifications were adopted for the first night, and the men were hurriedly examined by members of the committee and the teachers according to three rough standards: those who spoke no English, those who spoke a little English, and those who spoke English well.

Here were men who represented twenty-six nationalities. Most of them had little education even in their own language on which to base instruction in English. The teachers, all of whom were girls, spoke English only and were instructed to use no other language even if they could. Naturally the men could not write, nor could they read what the teachers wrote. It is true that some of them understood a sort of shoulder-shrugging hash language that their foremen in the mills hurled at them, but the aim of the schools was to teach correct English, and the teachers started out to accomplish that purpose.

Picture an ordinary school room with a class of not fewer than fifteen nor more than thirty grown men of various nationalities. The teacher appears before the class. She receives their attention. She points to her lips, and she says slowly and distinctly: "I—awake—from—sleep." Then she repeats, "I awake from sleep." The men, unable to understand English, look both amused and amazed.

Then the teacher yawns, stretches, and repeats again. "I awake from sleep." "I open my eyes," as she points to her eyes. "I look for my watch." "I find my watch." "I see what time it is." "It is six o'clock." "I must get up." And so on through the rest of the first lesson.

Then she comes back to the first sentence, and as she yawns and stretches again, she says: "I awake from sleep." Then she signals the class to repeat together, and the work among the students is begun. With the class answering in concert several times the teacher then calls on Johan Schmidt, and Johan repeats after the teacher: "I uvake von schleep." The teacher corrects him. She then calls on Angelo Yannucci, who responds: "Oi aveck from schlip." And the process is repeated by a number of the members of the class.

The teacher then calls one of the men forward. She points to him and says: "You awake from sleep." Designating another member of the class, she then says, "He awakes from sleep," and thus establishes the use of the personal pronouns and the other technicalities of English grammar before the student is aware that there is such a word as grammar.

From these sentences, which are acted and dramatized by the teacher to furnish the meaning, the men begin to get a foothold upon which the rest of the lesson is built. The lesson then goes on through the process of getting up in the morning and is followed by subsequent lessons dealing with such subjects as getting wood to light the fire, lighting the fire, preparing breakfast, and using table utensils.

In some rare cases, where it is especially difficult for the men to grasp the meaning, toy beds with dolls, real watches, bed clothes and garments are used by the teacher to drive home her meaning.

From the first lesson the men have the opportunity of taking part in pronouncing and forming the words and later by copying the lesson as it is written on the back of the lesson sheets. This is known as the Peter Roberts System, and has proved very successful for beginners in the English language.

Humorous incidents are continually happening and the teachers frequently must display a high order of tact in order to conceal their own amusement, protect the students from embarrassment and maintain the proper degree of order. For example, one evening a teacher gave the men a list of adjectives and asked them to write after each one the word that expressed the opposite quality. Here is part of one man's list: sweet, sour; heavy, light; broad, narrow; married, happy.

In another room the teacher was drilling the men on the abbreviations of the names of states. The men had answered together "New York" for "N. Y."; "Pennsylvania" for "Pa.," and several others with almost equal readiness. Then the teacher wrote on the board, "R. I." There was a long silence. The men looked at one another and fidgeted about in their seats, each trying to outthink the other. It was only with difficulty that the teacher stifled the laugh that rose to her lips when one of the men triumphantly blurted out, "R-I-zona!"



After a short time, the original classification into three units had to be revised, so the men were divided into classes where the work was best suited for them. It was important for each teacher to keep a close check on the progress of her individual pupils and to see that they were advanced immediately if the work did not seem sufficiently difficult, or that they be transferred to a less advanced class if the work was too hard. The foreign student seldom complains; if he isn't thoroughly satisfied he quietly drops out of school and gives no reason.

Much depends on the examples that are held up for the men to follow. For instance, the first

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night or two that a student comes to school he wears his work clothing, greasy and full of ore dust. Our teachers, spick and span, present a striking contrast. After a few sessions the men take the pains to exchange their working clothes for their Sunday best, and now the general appearance of a class of students will compare favorably with that of the average American gathering.

Some of the subjects taught are spelling, reading, writing and grammar. The practice material is always carefully chosen, so that while the student is learning to read and write he is also unconsciously studying American ideals, history and civics, health and sanitation.

Then, too, we teach arithmetic, giving the foreigner a working knowledge of the subject sufficient to facilitate such every-day dealings as may take him to the bank, the store and the post office. Those who wish to do so may continue the subject to the point where they are prepared to enter trade and vocational schools.

These subjects are supplemented by the newspapers, which are read daily and to which the students are encouraged to subscribe. Interest in the schools is stimulated by spelling bees, loyalty contests, musical programs, and speeches by local citizens.

During the war, letters were exchanged frequently between students who had gone to army training camps and those who were still in the schools. One of these letters, written by a Russian-Pole who had been a faithful student and who was progressing nicely when he answered the call to the colors, follows:

October 24th.
2nd Caisson Co.
305th Ammun. train,
Camp Lee,
Petersburgh, Va.

Mr. E. V. Buckley,
302 Hamory Bldg.,
Sharon, Penn'a.

Dear Sir:

I received your letter, and was very glad that I have some good friend which answers me on my letters, because I've sent many letters and still I have no answer. I am getting along fine in Camp Lee. We got all cloting already, and we look like a soldiers. We drill good also, although we stay here 1 month, but we expect to be a good Uncle Sam's fighters. Two weeks ago we had 3rd "shot," and all boys have passed through the operation successfully, but we don't know, will have three more, or not. We have "chew" three times a day, and every one is plentyfull.

We have no English school over here, although in our Company is $\frac{1}{4}$ which don't understand English it all, but I think it would be better if we have some school. I've sent one copy Camp Lee's paper "Camp and Trench" to you, by address Miss Catherine Connair; we have other paper "Bayonet" in our camp. Felix Loss subscribed it, for his teacher Miss Catherine Connair. We have some papers from Sharon, Pa., but we have no time to read it, because we have lots of things to learn, as "General Orders" and great many other things.

Thanking you for good wishing to me. I send my best wishes to you, and my regards to my classmate. My wishes to Miss E. Baker. I sent some cotton to Mr. E. Masian, my comrade. I hope he showed it in the Night School, because I wrote to him to show to everybody.

Your sincerily,
B. Kunkiewicz.

Although the effect of a thorough Americanization of the foreigner is of mutual benefit to the community and to the nation, the most direct benefit comes to the industries for whom the foreign employees work. There is a vast difference in efficiency between the foreign man who is unable to understand orders and who uses up the time of his foreman in having the directions explained to him, and the man who has gone to school and learned to understand orders explicitly and is able to relieve the foreman of the responsibility of getting work done. The man who has gone to school is able to read danger and safety signs. He is able to understand new instructions and to read bulletins and notices. Furthermore, the foreign employee who understands his work is more likely to remain on the job without changing positions so often; this, in turn, cuts down labor turnover with its tremendous cost and inconvenience.

The main objection experienced is expressed in a jovial way by the foremen of some of the industries in the Shenango Valley. They have said jokingly that Americanization would have to be stopped because the foreign employees in the mills have covered every available space, including walls, floors, sides of box cars and even the shovels, with chalk marks written in the preparation of their lessons for school.

Letters from the heads of practically every industry in the four boroughs mentioned have expressed their enthusiasm over the improvement that has been brought about in their employees.

At first regarded as a fad, the Americanization work is now considered indispensable. Many foreign employees who had been working in mills and had deserved advancement on account of faithful service could not be promoted because they could not write enough of our language to make out even a report. In numerous cases these men have gone to school and a few months' attendance has enabled them to take better positions.

One of the most gratifying results of the first two years' work of the Valley Americanization Committee is the fact that it has Americanized a number of so-called Americans. That statement may need some explanation. It refers especially to foremen in the mills who have been under the impression for a long time that their laboring gang was only a machine. These men often joked about this attempt to educate "their gang" as a fad that would be short-lived. A deliberate campaign to Americanize these men first has begun to show its effect in increased co-operation; the foremen have been shown that the work is of direct benefit to them in increasing both quantity and quality of output.

The movement in the Shenango Valley rests on three staunch pillars—the industries, the boards of education, and the chamber of commerce, but the co-operation of every factor in the community is essential to a healthy and flourishing organization whose business it is to promote a better understanding between native-born and foreign-born. The public schools, the churches, women's club, foreign societies, libraries and the press can all exert a tremendous helpful influence. But the main point of contact is the foreman in the mills, the man who is constantly rubbing elbows with the foreign man.

A brief summary of the activities of the Valley Americanization Committee is the best evidence that there is mutual compensation on the part of foreign- and native-born for the time and money invested. In schools running three nights a week, except in hot summer months, more than 2,000 foreign men and women, ranging in ages from 16 to 65, representing 30 nationalities, have enrolled. More than 5,500 text books, distributed among the foreign men and women, have been studied and passed into circulation.

Since the schools were opened on April 2, 1917, nearly 1,000 men have been started on their way to citizenship, and many have completed the steps and have been presented with the school diploma given to full-fledged United States citizens. Most of these men, with their necessary witnesses, have been taken to Mercer, the county seat, fourteen miles away, in automobiles furnished free by the Americanization Committee.

With such a system for Americanizing the extensive foreign population, only the lack of interest and the lack of willing co-operation on the part of those in contact with these aliens will be responsible for any failure to make them good citizens with home stakes in America, and to convert them, as a class, from a dangerous menace to a valuable asset to the community and to the country.

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Selling People You Don't See

By

WILLIAM H. MORSE

GOOD MORNING, Mrs. James—Cornwell's speaking. May I have your order, please?"

"Oh, good morning, Miss Dyer. Yes, I'd like———" and here Mrs. James, or Mrs. Oliver, or Mrs. Roberts, or any of the other several hundred housekeepers who are on the regular "telephone list" of G. G. Cornwell & Son, grocers in Washington, D. C., rattles off a list of just what she figures she will need during the day.

When she has finished, or when she has replied, "I don't think that I need anything today"—Miss Dyer will remark, almost casually: "Did I tell you that we have a new shipment of olive oil in? It's the first that we've been able to get for some time and the price is considerably lower than formerly." Or she may refer to a kind of pie that the pastry department is featuring—the pastry department having replaced the wet goods side of the store since the District of Columbia went dry—or some other delicacy in which she has reason to think Mrs. James would be interested.

For years Cornwell's relied only upon its regular phone system, taking orders when they were sent in and letting it go at that. Then a customer remarked one day: "Why couldn't you people call me up every morning instead of waiting for me to call you? I usually have a lot of things to do between 9 and 11, and frequently I forget to phone. Some times, when I do call, your phone is busy, and before I know it afternoon is here and I have to rely on the store around the corner for what I want."

The chief of the phone section took the matter up with the proper authorities, with the result that Cornwell's now has three girls who devote the greater part of every morning to ringing up customers, inquiring what they wish, and suggesting items. Each customer is called at the time most convenient to her, and it has been found that the profits on the sales of suggested items alone is sufficient to pay the salaries of the "suggestors." The phone list is compiled primarily from the names of persons who have charge accounts, but the delivery department is instructed to keep a memorandum of all persons who make several purchases a week, that they may be solicited for a charge account with its attendant advantages both to the purchaser and to the store.

Cornwell's use of the telephone for the double purpose of contributing a cheery "Good morning!" and obtaining a number of valuable orders is only one of the many ways retail and wholesale houses in all parts of the country



A grocer in Wilmington, Delaware, finds the telephone particularly effective as a selling aid in stormy weather. Weather doesn't bother him—he gets the business anyway

are selling customers they don't see. And every day is proving that the method is very well worth while, particularly when a single store in Philadelphia—Bonwit & Teller—has developed the idea to a point where they have a salesgirl with a $50,000 "telephone voice." At least she averages $50,000 a year in sales, and all she has to depend upon is her voice and the way she describes the goods.

Bonwit & Teller have found that it does not pay them to pick their lists of telephone prospects at random from the phone book. This might do very well for a neighborhood store which was just opening up, but not for an establishment which specializes in high-grade and rather expensive items of dress and adornment. The list, therefore, is compiled from the regular patrons of the store—women whose tastes in gowns and perfumes and lingerie is known and who are flattered by the personal appeal. It is a question of increasing the volume of purchases made by those who already deal with the store, rather than of adding to the number of patrons.

Accordingly, each of the Bonwit & Teller phone clerks has her own special list—women with whom she is familiar, women who rely upon her judgment and her taste. If, for example, she notes that one of her patrons is going to entertain quite extensively this winter she makes a mental note to keep her eyes open for dinner gowns, opera wraps, and the like, which would suit the style of this particular person. She also instructs the different departments to let her know when anything particularly new arrives and calls up Mrs. Rittenhouse at once, giving her name as well as that of Bonwit & Teller's over the phone. Inasmuch as Mrs. Rittenhouse has learned by experience that the young woman's taste may be depended upon, the odds are immediately in her favor. And when the phone clerk describes the gowns as only one woman can describe them to another and asks permission to send them up for her personal examination—well, what could any woman who is planning a series of social functions do but accept?

Of course, a considerable proportion of the ability of the "girl with the $50,000 voice" depends upon her knowledge of her patrons, what they like and to what they especially object. In other words, she banks heavily upon the element of personal salesmanship and, in a surprising number of cases, she wins.

Somewhat the same plan is followed at the perfume counter of the same store. Here one of the salesgirls has been well trained in telephone selling as well as in feminine psychology. She knows there is nothing that the average woman wishes as much as a distinctive scent—and "distinctive" is usually synonymous with "expensive." She also knows, by experience, how long it will take Mrs. So-and-so to use a bottle of perfume. Therefore, as soon as she makes a sale, she puts a card in her "tickler file" a month or six weeks distant, and on the proper date she calls up, inquires whether the perfume was satisfactory and, two times out of three, gets a reorder. The whole thing is so simple that the phone division of

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—By Analyzing His Sales

By CHARLES E. MASON

WHILE waiting for a train in Parsons, Kansas, one day last August, I was passing away the time by sauntering along Main Street and "window shopping." Suddenly I halted; behind that plate glass window was one of the most pleasing displays of jewelry I have ever seen. Wrist watches, lavalieres, brooches and rings—not too many, but just enough, and all of the kind you could imagine yourself giving to sweetheart or wife.

A prepossessing salesman met me at the door and complied with my request to be shown some cuff links. In the average small town jewelry store I should have been prepared to discriminate; to pick and choose among cuff links more or less old and shopworn. Here I was put to no such test. The assortment which the salesman laid out was not large, it is true, but apparently the goods had been well selected; the range of price was ample, and a man might wear any pair of links in the lot without feeling obliged to keep them concealed.

In short, I quickly found what I wanted, and at a price I was willing to pay. And at that, I am somewhat finicky in the matter of cuff links.

When I received my purchase, wrapped up in a neat little box, I asked to be directed to Mr. Frank Pfeiffer, the proprietor.

"You're speaking to him now," the "salesman" replied; "I'm Mr. Pfeiffer."

"How do you do it, Mr. Pfeiffer?" I asked. My sweeping gesture took in the entire store and its contents. "How do you maintain a store like this so far from your source of supply? You've got a store here that would be a credit to State Street, Chicago, or Fifth Avenue, New York. Or if not Fifth Avenue, at least Fourth Avenue."

Mr. Pfeiffer smiled his appreciation of the compliment.

"You won't be surprised, then," he said, "if I tell you that one of my best customers is a New York business man. He buys his Christmas gifts in this store every year, leaving the matter of selection to his brother, a lawyer here in Parsons."

I told Mr. Pfeiffer my credulity wasn't strained in the least.

"You ask me how I do it. By the simple rule of buying only what I know will sell. To learn what will sell I have only to learn what is selling, and I learn what is selling by keeping records of sales.

"We didn't always do this, nor did we always have such a clean, fresh stock as we have here now. Today there isn't in all this store a single piece of old merchandise except a few pieces of cut glass. And it was that same cut glass, by the way, that woke us up and showed us how to do business."

Mr. Pfeiffer finished polishing a picture frame and replaced it in the show case. Observing a question in my eyes, he led the way to the "crystal room" in the rear of the store. I gazed about me in astonishment.

"A pretty good stock of cut glass, isn't it?" Mr. Pfeiffer asked. "But we're reducing it just as fast as we can; a stock of that size doesn't pay. For years we took pride in this 'crystal room,' and our friends were kind enough to tell us they considered it one of the show places of Parsons.

"One day it occurred to me that for some time the sales of cut glass had been mighty light. I looked at this stock and wondered just how much money it represented—something I should have known, but didn't. So one slack forenoon we took an inventory. How much do you suppose the stock inventoried? Two thousand dollars! I never realized before how fast cut glass runs into money, and for the first time I began to doubt whether we were really making a profit on so big a stock.

"Just for the satisfaction of knowing, we decided to keep a record of all sales of cut glass for the next month. The discovery that our cut glass department was too heavy also suggested the advisability of finding out how much capital we had tied up in other lines of goods. So we took stock of diamonds, then of silverware, watches, jewelry and other lines, a different line every day, until we had taken an inventory of the entire store.

"We were surprised to find that in some lines besides cut glass we had more money invested than we supposed, and that in others—jewelry, for instance—the investment was less than we supposed.

"Our experience in taking inventory by lines and the lesson learned by finding out how much we had invested in each line now suggested the idea of keeping the store in department form. So we divided it into ten departments—diamonds, watches, jewelry, optical goods and services, watch repairs, silverware, clocks, cut glass and miscellaneous. Then we began to compile daily records of sales in each of those ten departments, segregating the sales slips by departments and adding up the amounts, as we had already begun to do with the cut glass.

"The first monthly record gave us quite a shock. As I said, we had found that we had $2,000 invested in cut glass. Well, this first month's record showed that our sales of cut glass for that month totaled just $35. A year's sales, on that basis, would be $420. Instead of turning our stock at least once a year, as we blindly supposed we were doing, we were turning it once in a little less than five years. And yet we had always considered this 'crystal room' a paying investment.

"Well, you can guess the result: we promptly put on the brakes and stopped buying cut glass. And the brakes have been on ever since.

"Other surprises, however, were yet in store for us. Our first monthly records showed that we were turning our diamonds, like our cut glass, much less rapidly than we supposed. The same was somewhat true of silverware, although not to the same extent.

"On the other hand, we found that our sales of jewelry and watches greatly exceeded our expectations. In fact, we now knew for the first time what lines we were selling the most of and just how much we were selling in each line. We now knew that although we had more money invested in diamonds than in watches or gold jewelry, we were selling more watches than anything else, with jewelry second. We therefore decided to buy



Interior view, Pfeiffer Jewelry Company

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PFEIFFER'S

A (B) D E H K G

Name George A Jones

1432 Grand

D	Diamonds	$
W	Watches	
J	Jewelry	Cameo Brooch 10.00
O	Optical	
R	Watch Repairs	
X	Jewelry Repairs	
S	Silverware	
C	Clocks	
G	Cut Glass	
M	Miscellaneous	
	Total	

250
50
125
160
75
100
1000
165
110
175
200
125
230
120
75
150
175
110
275
550
60
1100
325
120
140
175
225
200
75
125
150
200
75
100
125
7985

DAILY REPORT FOR Aug 20th 1919

DEPT. SALES

$		$
	D	
54.88	W	99.50
43.62	J	79.85
	O	17.60
	R	26.20
	X	22.90
6.45	S	10.20
.95	C	1.50
1.38	G	3.15
7.75	M	13.25
115.46	Total	274.18

Total Cash $ 232.40
" Rec'd on Account 101.05
" Cash Sales . . 131.35
" Charged . . . 142.85
Chg. Goods Returned
Ledger Balance. $ 417.29.88

Number Customers . . . 107
" Received . . . 23
" Charged . . . 22
" Paid Out . . . 4

CLERK'S SALES

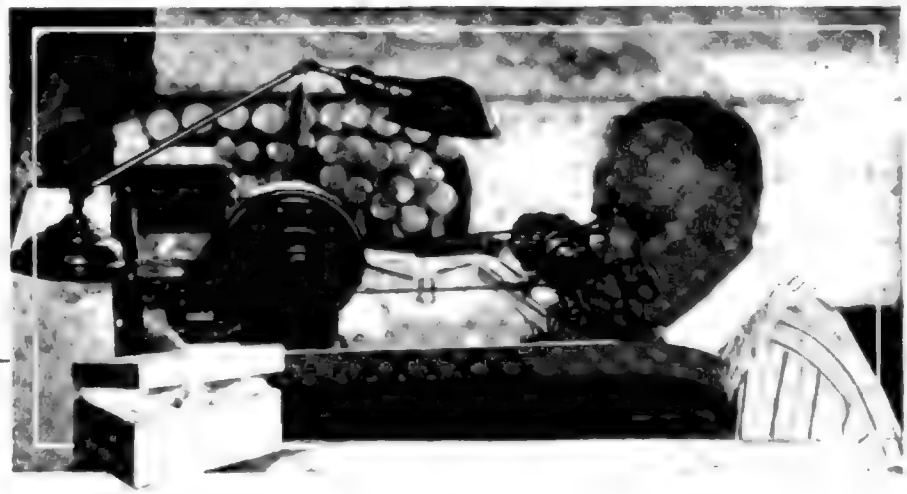
A.	$
B.	143.75
D.	25.65
E.	20.50
H.	15.45
K.	2.10
	207.45
	115.46
	92.02

BENCHES

A	19.00
B	Empty
C	9.55
	28.75

Weather Fair & Hot

Details of Merchandise Returned



Above, sales slip. A ring around one of the letters at the top designates the person who made the sale. The letters in the vertical column at the left designate departments. Sales by departments are added daily, at both cost and selling price, and the totals are entered on the daily report at the right. Department receipts for this day were $274.18, but that included receipts for repairs. After the sales are totaled by departments the slips are segregated and the sales are totaled by salesmen. The sum of the amounts sold by individual salesmen, of course, gives the total sales. From this figure is deducted the cost of the merchandise sold, as shown by the analysis of department sales, and the result is the day's gross profit.

no more diamonds for some time and to put more money into watches and jewelry.

"So well did the new system work that we extended it to keeping records of the cost of the merchandise sold each day by departments, as well as the sales. Since we adopted that plan we can tell to a cent at the end of every day's business not only what the gross profits of the day have been, but just what share of the gross profits has been earned by each department.

"These records have taught us how to merchandise. They have shown us what goods people are buying and have therefore shown us what lines to reduce and what lines to build up.

"Since we started keeping these records we rely on them absolutely to govern our buying. We don't have to guess any more when the jewelry salesman calls, but know just what to buy, when to buy, and how much to buy. For instance, suppose in the month of June we sold $2,000 worth of watches that cost us $1,500; our records show us just how much to buy in July to bring the stock back to normal. If the month's record shows that the sale of silverware has slumped, we slow down on purchases when silverware salesmen call.

"One of the average retail jeweler's chief faults is that of overbuying. We not only save money by avoiding the purchase of too much, but we save time by avoiding buying from too many salesmen. Before we kept records of sales by departments I used to look at stock about ten times a month; now I look at it maybe once in two months. I find there's a lot more money in looking at the records of what I am selling than in looking at goods the salesmen want me to buy.

"In this departmentizing plan I do not pretend to have discovered anything new. I have simply applied to the jewelry business a principle that is producing results in other retail lines. I don't buy diamonds any more when my records tell me I can use the money to better advantage in buying watches and jewelry. I can't regulate the volume of sales, but what I can and do regulate is the ratio between sales and investment—in other words, the rate of turnover.

"Hardware dealers, clothiers, grocers, dry goods dealers, druggists, are speeding up their turnover by analyzing their sales; why shouldn't the jeweler? I believe that every retailer, whether his chief commodity is diamonds or dishpans, should keep accurate records that show him just what

(Continued on page 31)

Back To Prosperity

By J. R. SPRAGUE

All wholesalers and many manufacturers are familiar with a certain class of merchants. They are the ones who so often are in hot water as the result of more or less careless methods of finance; the ones to whom wholesalers and manufacturers so often feel obliged to write sharp letters.

They buy here and there, wherever they can get credit, and their business is worth no great sum to any one of the houses with which they deal.

These merchants can be converted into good customers. Mr. Sprague cites an instance, substituting fictitious names for the real ones, and tells how the trick was done.—Editor.

FIVE MEN sat 'round a table in a southern city. They were the heads of local wholesale houses, all handling practically the same lines of merchandise and operating in the same trade territory. Necessity had brought these five men together; they had gathered to discuss the cases of various retail merchants who were not paying their bills.

A man who may be called Henry Wood, representing Wood & Gazley, Inc., was talking.

"We all seem to have the same rotten payers on our books," he said. "Some of us may have exclusive customers among retailers who discount their bills, but these fellows who are always behind don't play any favorites; they patronize us all impartially.

"Now I have been thinking this thing over," he continued, "and I have come to the conclusion that it is mostly our own fault. Some man starts up a business in a town in our trade territory; he has got a couple of thousand dollars capital and he buys his opening bill of goods from my firm. We take his two thousand dollars cash money and sell him two thousand dollars more on credit; he therefore opens up with a nice, clean stock of four thousand dollars.

"The opening of his store is quite a success. He has an orchestra playing all day, gives away souvenirs, all his friends come in to wish him good luck, and the local newspaper writes up the event in a flattering manner with an eye toward his future advertising.

"About the time the merchant gets his business going nicely a traveling man representing another wholesale house goes to the town. The traveler sees the new store and figures on getting some of its business. He inquires round town a little; everyone speaks well of the new merchant, and he finally goes in to talk to the proprietor. He recognizes the merchandise as coming from Wood & Gazley, and figures the man's credit must be all right if our firm has been willing to sell him so much.

"Thereupon he begins to talk business; he frankly admits Wood & Gazley are all right, but says that his firm has some specialties that can't be beat. He won't say the merchant has paid too much for his goods, but every business man owes it to himself at least to compare prices. His line is opened up over at the hotel and why can't the merchant take lunch with him and just glance over the samples afterward?

"The merchant accepts the friendly invitation; and almost before he knows it he has given the salesman an order for a thousand dollars' worth of merchandise. The order sheet comes into the house accompanied by a long letter from the salesman stating that the new merchant looks like a winner, that he is highly spoken of by every one in the town and he believes it will develop into a good account. He adds that Wood & Gazley evidently think well of the man because they have already sold him a lot of goods.

"On the strength of all this the house ships the merchandise. A little later a traveler for still another firm goes to the town and the same thing is repeated. Inside of six months the merchant is owing money to every wholesaler in this city and very likely to a dozen New York and Cincinnati concerns as well.

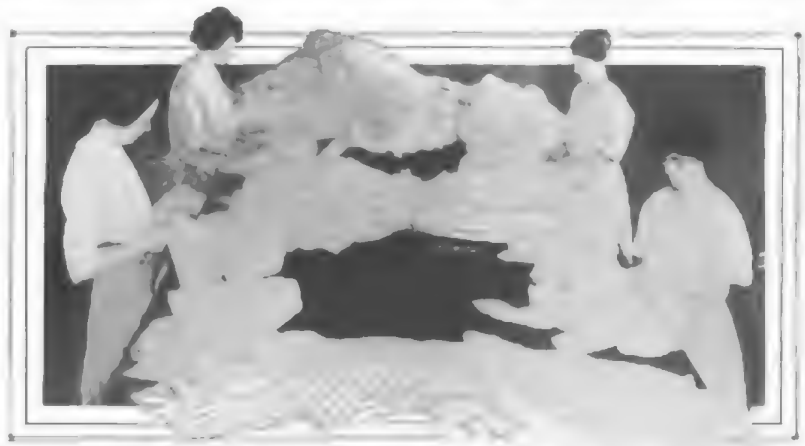
"We have spoiled a man who otherwise might have become a first-class merchant. He gets so tangled up in debts that he loses his ambition. Instead of taking pleasure in his business it becomes a burden. He goes to his store every morning knowing that the postman will bring dunning letters and the bank runners will present drafts he cannot pay. When he sees a man enter his front door he never knows whether the caller will turn out to be a customer or a clerk from some lawyer's office who has come in to say that one of his creditor's will not wait any longer and he must pay up in ten days or stand a law suit.

"When a man is in a fix like that he can't do his business justice and it certainly isn't profitable for us to sell him goods. And yet we need all the customers we can get. Each of these poor-paying merchants whom we have come here to consider is an outlet for our merchandise; for our own good we ought to try and make better payers out of them.

"Now I have come to this meeting with an idea, which is this: let us systematically go over the slow-paying merchants whom we are all selling and divide them up, each of us taking his share. We have probably fifty such accounts; that will make ten apiece for the firms here represented.

"Each of us will take his ten accounts and handle them without interference from the others. I will not sell any of those that have been assigned to the rest of you and you will not sell any of those assigned to me. Where we quit selling a merchant we will give him plenty of time to pay off what he already owes us; that will be only fair to the one who continues to sell him.

"If we make such an agreement and stick to it, I believe we will not only relieve ourselves of a good many worries but we will be doing a lot for those slow-paying merchants themselves. After all, a business man ought



Inspecting house dresses. M. E. Smith & Company, Inc., Omaha, Nebraska

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to have some object in life besides making money; and if any one of us can help some poor devil to get on his feet who is now sweating his life away under a load of unnecessary debt, we will only be doing a duty."

When the speaker had finished, excited discussion broke loose. The plan looked simple and feasible, but it was so novel that it took some time for the idea to sink in. Yet every man present realized that the fifty slow-paying accounts on his books were a hard load to carry; it would be a relief to cut the number down to one-fifth, even though he had to carry the ten merchants assigned to him for larger individual amounts than before.

One of the other men got up to make a formal motion.

"Of course it is understood that this plan will affect only such slow payers as we agree upon?" he asked.

"Absolutely," replied Wood, the proposer of the plan, laughing. "When it comes to going after the business of the concerns who discount their bills we will try to cut each other's throats harder than ever."

A list of the slow-paying retailers was made up, and as a name would be read out, one of the five present would volunteer to accept it. As a rule the retailer would be taken by the wholesaler who was then caring for the largest amount.

At last the name of Sam Lathrop was reached. "That's the name I have been dreading to hear," said one of the wholesalers, gloomily. "Excuse me while I go out and buy some cigars. You can let me know who draws Sam Lathrop when I get back."

Nobody wanted the job of reforming Sam Lathrop. For fifteen years he had been a thorn in the side of the wholesale trade. No one knew how much money he owed or how much his stock was worth because he never gave a statement to the credit agencies. He never had failed or made a settlement with his creditors, but to get money from him was a nerve-racking task. If he bought a bill of goods on ninety days time the creditor got a payment on account at the end of six months and the balance in driblets extending over six months more. He didn't pay any attention to drafts; he didn't even answer letters.

It was no wonder that none of the five wholesalers wanted to be Sam Lathrop's exclusive supply house. At last Wood spoke up: "It's an awful punishment," he said, "but as the originator of the scheme I guess it is up to me to choose Sam. Henceforth he is the exclusive customer of Wood & Gazley, and I don't want to catch any of you fooling round to lure him away from us."

Franklinville, the home of S. R. Lathrop's business activities, was a town of 15,000 inhabitants. It boasted a European plan hotel, street cars, a paid fire department and an office towel supply service. Store rents on Main Street averaged $150 a month, which real estate men held to be proof that Franklinville was a rattling good business town; but the merchants knew it only meant that owners of business property have discovered that storekeepers will stand a raise every time a lease expires, rather than move.



Salesroom, Charles Hewitt & Sons Company, Des Moines, Iowa

Sam Lathrop's store occupied a good location in the principal business block. Lathrop was an agreeable man of forty-five, born and brought up in the town, and on cordial terms with every one in the community. When he had first started in business, fifteen years before, people said he was bound to make a fortune; that any one so popular as Sam Lathrop could not help getting the trade of the town. But somehow he had not come up to expectations in a business way; personally he was as popular as ever, but the friends who called him by his first name more often than not patronized his competitors when they wanted to buy anything.

Sam Lathrop did not run his business as efficiently as he might. Not more than half the merchandise in the store was marked with the cost or selling price. A package of goods would come in and be shoved under the counter or into the back room. One of the clerks would try to find the invoice, but very likely it couldn't be located. The package would lie unopened for a few days until a customer asked for some article known to be in it, when a clerk would pry off the cover and get what was wanted. Once the package was opened it was easy for the merchandise to get into stock without being marked. And so, half the time when a clerk was trying to sell something, he would guess at the price or call to some other clerk for information and that clerk would do the guessing.

One of the reasons why Sam Lathrop was so maddening to the wholesalers was because he never would answer the letters which they wrote urging him to pay his accounts. The explanation was simple; he never read the letters.

It was interesting to see him go through his morning's mail. Any envelope which looked as if it might contain money he opened at once; then he went through the advertisements and catalogs. But the letters bearing the imprint of wholesale houses to whom he owed money he just pushed toward the back of his desk unopened, and after a few days they would drift, still unopened, into the waste basket.

One morning a week after the meeting of the five wholesalers in the city, as Lathrop approached his store he was a little startled to see Henry Wood, of Wood & Gazley, Inc., standing in the doorway. The retailer's steps faltered; a man's heaviest creditor does not usually turn up before eight o'clock in the morning to talk about poetry or the economic situation in Europe.

But Henry Wood gave him no chance to escape. "I got in on the early train," he said, "and came right over to your store to wait for you. The clerks inside are cleaning up and there isn't any business stirring yet anyhow; come on over to the hotel where we can talk without being disturbed." Lathrop walked along with his creditor, worried and uneasy.

"There has been a meeting of your creditors up in the city," said Wood, when they had settled themselves in his hotel room, "and I have come to see what can be done about your affairs."

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Lathrop walked to the window and looked across the square to his store. "I suppose you have come down to close me up," he said. "I know I'm a rotten business man. For fifteen years I have imposed on the good nature of my creditors; they are out of patience with me, and I don't blame them.

"But don't think I have enjoyed myself all these years. When I opened up my business I had the idea of going along with my small capital, paying cash for everything I needed, and let my stock grow with my capital, no faster.

"Yet somehow I found myself owing money almost without knowing it. Traveling men from different houses would come along and urge me to buy, saying they could save me some money, or that I ought to have some of their novelties to brighten up my stock a little. It was not long before I was owing money to forty or fifty wholesale houses and then my troubles began.

"If I had been owing the same amount of money to one or two firms instead of twenty, I would probably have got along all right; but as it was I was in hot water all the time. I might have arranged with one or two firms to carry me for a certain line of credit, and then if things were dull for a little while they would have been satisfied for me to send a remittance on account and the balance later. But if I owed a man fifty dollars and I didn't pay it when it fell due, he wanted to know what was the matter. And sometimes it is just as impossible for a merchant to send fifty dollars as five thousand.

"It was when I got tangled up in debts that I began to lose my grip as a business man. I guess a successful business man is one who can go right straight ahead with things no matter what is going on; but I can't do it. I began to dodge things. If I saw a bank runner coming up the street I would slip out of the back door so I would not have to tell him that I couldn't pay the draft. I dreaded to see the postman coming because I knew he would bring me harsh letters; and half the time I would not open such letters at all.

"One reason I have not got along better is because people in town have thought I was careless about keeping up my stock. Some regular customer would come in and ask for an article which I was out of; I would tell him I would order it for him. But I was never sure I could get it. I would be afraid to order it from the houses where I was already owing so much money for fear they would refuse to send it. I would write to a house where I didn't owe anything, and after some correspondence arrange to have the article sent C. O. D. But all this would take so long that the customer would get out of patience with me and the next time he wanted anything he would go to one of my competitors."

Lathrop stopped talking and looked miserably out of the window. His talk had fallen on understanding ears, for Henry Wood himself had taken many hard bumps before getting the firm of Wood & Gazley, Inc., fairly started on the road to prosperity.

"You have got a case of nerves, Sam," said Wood, kindly. "Your case isn't hopeless; you are merely tangled up. Now as I understand your affairs, your stock of merchandise invoices about twenty thousand dollars, and your debts amount to about ten thousand dollars."



Chair department, New Orleans Furniture Manufacturing Company

"I guess that is about it," replied Lathrop, dismally.

"That is too great a proportion of debt," continued Wood, "unless you are a born financier, which you are not. If you had to put on a sale to turn your stock into money, it wouldn't pay your debts; merchandise at forced sale seldom brings fifty cents on the dollar. In your present condition you are always in danger; there is the chance that some creditor may bring suit against you. And if one concern did that, all the rest would have to do the same thing to protect themselves. You might safely owe ten thousand dollars if it was concentrated with one or two wholesalers, but when that amount is scattered round among twenty, you are liable to be put out of business any time.

"Now I have a plan for putting you on your feet. You used to be a rattling good salesman and I believe you can be one again if you can get your worries off your mind. What I propose to do is this: I will arrange with your creditors to give you time to pay them off in installments. I will also attend to all your financial matters. During the next year you will try to do all the business you can; pay your running expenses and send all the money that is left over to me. I will distribute it pro rata among all your creditors.

"For a whole year you will not have a thing to worry about except to sell all the goods you can. You will not receive a sassy letter from any creditor; you will not be harassed by bank runners dodging into your store at all hours of the day to present drafts; so far as immediate worries are concerned, you will be like a son of the idle rich.

"Of course, you will have to buy some goods. You can order what you need from my firm and we will ship them. I am going to make just one stipulation: I don't want you to buy anything from other houses without first notifying me. I am not trying to be dictatorial in this, but if I am going to carry you for a considerable amount it is right that I should have something to say.

"There will be plenty of people coming round here offering to sell you goods; some houses are always wanting business so bad that they will take a chance on a merchant no matter what his financial condition is. You are easy-going and good-natured, and you hate to turn down a traveling man who tells you he needs your business. But I can't impress on you too strongly that a merchant who has to buy goods on credit should buy from just as few houses as possible. Now let us go over to your store and see just what condition your stock is in."

The two men went back to Lathrop's store. The stock of merchandise was in the condition that the wholesaler expected to find it; there were quantities of slow-moving goods, but a scarcity of

(Continued on page 30)

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With Samples, Glue and Stamps

By H. O. LOKEN
Loken Brothers, Thief River Falls, Minnesota

ABOUT two years ago we began to feel keenly a dropping off in our local town trade. I guess many other merchants experienced the same slump. People were conserving from patriotic motives; moreover, prices were so high that they felt it was to their best interest to buy just as little as possible until prices dropped.

Even at the time our city sales were falling off, however, our out-of-town business steadily increased. We made it a point to find out the cause for this unusual situation. Whenever we saw a stranger in the store we'd casually ask, "Why do you buy of us rather than of your home town merchants?"

In almost every case the answer was, "They are charging such high prices."

It seems that the smaller merchants had been frightened by the war conditions and had bought little new merchandise. Foolishly, they were trying to unload their old stocks—goods with which their customers were well acquainted—at greatly inflated prices.

It seemed almost as if a kind Providence had sent us this out-of-town business to fill the gap in our local trade, so we decided to develop our opportunity to the utmost. We were strategically situated to take advantage of the situation, as Thief River Falls is the metropolis and business center of northwestern Minnesota. Our population of 5,000 makes this city the largest from Bemidji and Crookston on the south to the Canadian border on the north. The boundaries of this territory lay from fifty to 110 miles from our city. In this section are forty to fifty towns and villages and many wealthy rural communities, with a population aggregating 50,000 to 60,000. For the better class of merchandise, these people have always looked to Thief River Falls, and we figured that we could win a big share of their staple purchases if we'd just meet them half way.

We reasoned that a large share of this trade was going to the big mail order houses in Chicago and the Twin Cities. So we decided to meet the competition of these concerns by using their own weapon—a mail order catalog. This seemed a logical step because our prospective customers were already educated to mail order buying.

So in March, 1918, we issued our first catalog. This number had fifty-two pages and there were 5,000 copies in the edition. As we had no mailing list for the outlying towns and country, we hired a man to travel by railroad and distribute the catalogs. In one week he "made" forty towns and villages and placed a catalog in every home in the communities visited. Next we mailed about 1,700 copies to our own list of nearby farmers. We also placed a copy in each home in Thief River Falls.

From the very start the mail order business from this first number was big. And the automobile trade that poured into our store in answer to our catalog and its prices was still bigger.

Of course our merchandise had been chosen and our prices fixed with the idea of competing with the large mail order houses. Indeed, we advertised a number of garments which also appeared in the catalogs of these concerns. On Page 6, for example, we showed a suit which a New York mail order cloak and suit house was advertising, and at the same price.

Our dress No. 1401 was one that was featured in colors in the 1918 spring catalog of a big Chicago mail order house. Another catalog house offering was the same as our poplin suit No. 508.

On Page 9 we showed a Fisken tweed coat, No. 609, at $18.95. We sold more than eighty coats of this one number and could have sold a great many more if our manufacturer could only have delivered them. Of the coats advertised on Pages 8 and 9 we sold from twenty-five to fifty-two of each number.

An unusually fine value in shirt waists was featured in the back cover, and we sold 150 of that number. This waist really was an exceptional value at $5, but without the catalog we never could have sold even half that number.

Several dresses, identical with certain numbers from the three leading mail order houses, were shown on Pages 16 and 17. At the top of Page 20 we pictured four petticoats which were featured in the 1918 spring catalog of a big Chicago house and our prices were the same to a cent. And so it went throughout the book.

On Pages 43 and 45 we showed eight samples of cloth. These were furnished by the manufacturer, cut in the right size, and with pinked edges. There were 40,000 of the samples and we had to paste them in by hand. We performed this task in eight hours' time, which I believe is a record.

Twelve of us sat around


LOKEN BROTHERS' FALL AND WINTER CATALOG, 1918-1919. THIEF RIVER FALLS, MINNESOTA.

Loken's Department of Woolen Dress Goods

38 in. Storm Serge at yard 99c

38 in. French Serge at yard 99c

36 in. French Serge at yard 85c

42 in. French Serge at yard $1.65

$1.65

44 in. Storm Serge $1.85 Sponged and Shrunk

$1.85

40 in. Wool Otterman at yard $2.50

42 in. Wool French Serge at yard $2.50

Typical page from Loken Brothers' Catalog

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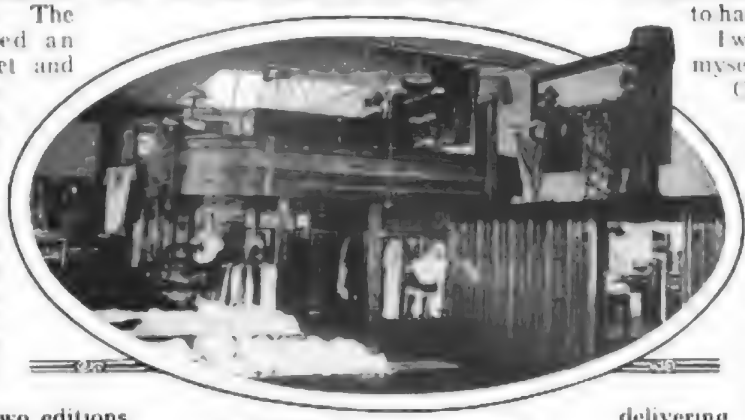
two large store tables placed end to end. The first person would open a catalog at Page 44 and pass it to the girl at the right. This girl would daub the paste on the first four spaces. Then there was a girl for each pile of samples and each girl stuck a sample in the same place on each catalog as it came along. This process was repeated for the remaining four samples. The twelfth person inserted an envelope and order sheet and stacked the books. Later they were taken to the printing office, where they were wrapped.

In the fall we published a second edition. This was also delivered from house to house by a carrier. In this case, however, our distributor traveled by automobile and visited forty-two towns.

After having put out two editions, we found that we had built up an active mailing list of 1,300 names. Every name on this list was that of a person who has ordered goods from us at least once or who has requested a copy of the catalog. Their homes are all the way from twenty to 110 miles from Thief River Falls.

Last spring we cut our edition to 2,000. These were mailed to the names on our list and to local farmers. This insured sending the catalog only to those who were glad to get it.

This fall we issued about 2,500. We figured that if we kept our mailing lists strictly up to date this number would be ample for our requirements for the fall and winter of 1919-1920.



Women's ready-to-wear department, Loken Brothers

In addition to the catalog we issue a store paper called the "Loken Flyer." This little magazine comes out every four to six weeks. It contains special offerings of merchandise and is mailed to our regular customers. Further, we use space regularly in our local papers and also get out circulars and sales letters from time to time.

We recently opened two ready-to-wear stores in Warroad and Hallock, villages in which we have many customers. Our catalog goes into every home in these towns and to all the prospective trade around them, and we felt that it would be a convenience to have the stores close at hand.

I write all our advertising copy myself and prepare the layouts. Cuts, of course, are furnished free by the manufacturers from whom we buy. When I visit the various factories I suggest to the artists how I should like to have the cuts appear and the views I want shown of the different garments. In this way we get some mighty good illustrations and art work for nothing. The total cost of printing and delivering the catalogs, by the way, is about $750.

Results, of course, are the final test of all new moves in business. And the results of our experiment speak for themselves. Our 1918 sales increased 33 per cent over those for 1917, and for the first six months of 1919 we went ahead of the first six months in 1918 just 100 per cent.

"You Take a Forty-four Chest"

"*I WANT* another suit of underwear, Mr. Heyman, but I've forgotten my size," said a customer of the Heyman-Fisher Company, of Hamilton, Ohio, dealers in men's furnishings.

Howard Heyman, senior member of the company, reached for a drawer in a filing cabinet and fingered a few cards.

"Chest, 44; length, 68," he said. Several suits of that size were laid out and the customer was quickly sold.

Incidents of this kind occur with great frequency in the Heyman-Fisher store. For several years the proprietors have maintained a system of filing the sizes of the various articles of wearing apparel worn by their regular customers.

In the first place, the system makes friends for the store. It relieves men of the need of memorizing the sizes of their various articles of clothing. It is not unlikely that a man who buys his socks a half dozen pair at a time, for example, should forget whether he wears a 9½ or a 10½. When he wants to lay in a new stock he goes to the Heyman-Fisher store; their file shows he wears a 10½.

Not only does the system draw trade, but it frequently reduces the time necessary to make a sale. Only in the case of the new customer is the salesman who is trying to sell a shirt or a suit of underwear obliged to bring out and use his tape measure.

In the size record system of the Heyman-Fisher Company are the names of more than five thousand men. The sizes were first obtained by sending reply postals to the names on the store's mailing list, each addressee being asked to fill in the spaces for sizes and return the card. When the store sells a new customer, his sizes are learned and a card with his name and address is placed in the index.

The proprietors of the store find that the system may be utilized to good advantage in promoting sales. Suppose the shirt department is overstocked with large sizes. The bookkeeper looks over the mailing list, selects the names of the big men and mails them cards announcing the opportunity to buy shirts in large sizes. Such an individual appeal usually cleans out the stock more quickly and more cheaply than would a mass appeal.

"Last year," said Mr. Heyman recently, "we had a chance to buy a dozen raincoats at an unusually low price because the sizes were 44 and 46. We turned to our records; the largest men in our city received letters soon thereafter, and in a few days the coats were sold out.

"The size records are particularly valuable during the Christmas shopping season. Cards are sent to the wives and sisters of the men on our mailing list, notifying them that we know the sizes worn by their husbands and brothers and therefore can guarantee that the shirt, silk socks or smoking jacket bought of us for a Christmas gift will fit."

"Too much system; too much work," some one once said.

"True, it's additional work," Mr. Heyman replied, "but the extra trouble is more than justified by the extra business. One young woman does all the bookkeeping, keeps a perpetual inventory, handles the size record system and looks after other routine work.

"It's worth the trouble from a service viewpoint alone, to be able to answer a perplexed customer, 'Don't worry about the size, sir; we have it in our file.'"

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Omar Was Wrong

By JOHN H. NELLER

Secretary-Treasurer, Pettibone-Peabody Company, Appleton, Wisconsin

"Ah, take the Cash, and let the Credit go."
—OMAR KHAYYAM.

MOST MERCHANTS at some time have asked themselves the question, "What would be the effect on my business if I sold for cash only?"

During the war and since, that question has been asked more often than ever. Why? Because rising costs of operation and the tremendously inflated stock investments caused by prevailing high prices have laid upon the merchant the necessity of economizing.

In this store we analyzed the arguments for and against a cash policy and decided that for our business, at least, the best plan would be a combination of cash and limited credit.

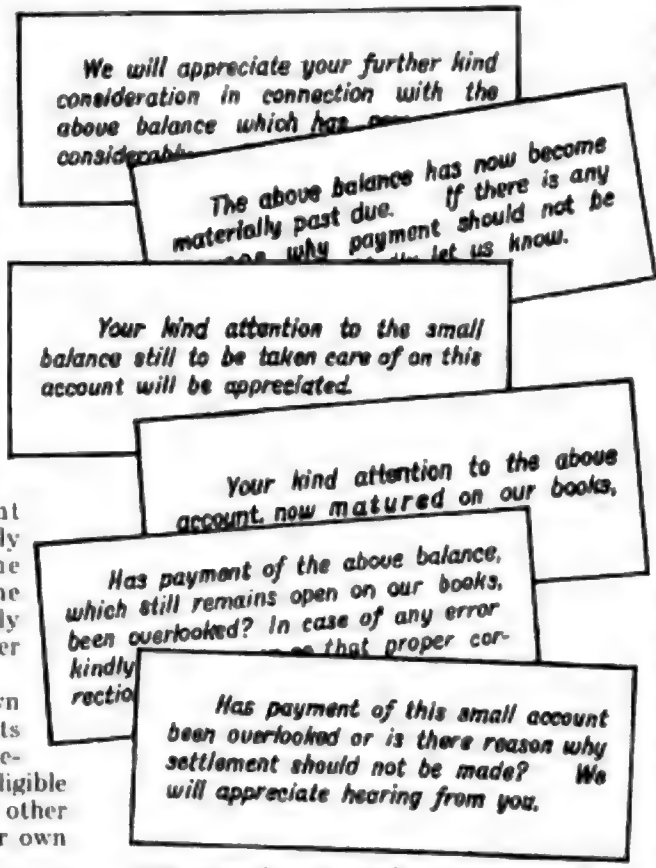
The first point we considered was the losses due to uncollectable accounts. These losses undoubtedly furnish the strongest argument against the plan of selling on credit. The objection, however, is scarcely valid, for credit losses can be kept down to an insignificant figure if the credits are properly handled. When they become serious, when they menace the merchant's success, it is generally the fault of the merchant rather than that of the system.

Over a ten-year period our own losses from uncollectable accounts have been slightly in excess of one-tenth of 1 per cent—surely a negligible proportion. The experiences of other merchants convince us that our own showing is by no means unusual.

Of course, we have always drawn the line sharply between credit used as a convenience and credit used for indulgence. When people buy on credit, not because it is more convenient to pay for a number of purchases in a lump sum at a definite time, but because it enables them to buy commodities which they can't afford, then look out.

In this store we have always set a credit limit to each account—based on the individual's capacity to pay—and have thus prevented charge accounts from becoming an inducement to overbuy. The merchant who permits a customer to overbuy is simply inviting an uncollectable account. More than that, he is inviting the ill will of the customer, for she will either blame him or hold him jointly responsible for her extravagance.

A second common objection to the credit system is that "it costs too much money to run a credit department." When a merchant changes from a credit to a cash basis, he almost invariably advertises that the reason for the change is this high cost. I have an ad. on file which states that the cost of operating a credit department is 10 per cent. Others place the figure at from 5 to 10 per cent.



Rubber stamp forms stamped on statements sent out by the Pettibone-Peabody Company. These are not used in regular order, but rather as suggested by the circumstances.

In these instances the merchants were justified in eliminating the credit end, provided their figures were accurate and the costs could not have been reduced. Such costs would be prohibitive and out of all proportion to the other expenses of running a store. That such a high cost is needless, however, is proved by our own experience. To learn just how high a 10 per cent charge is, we compiled the expenses of operating our credit department and found it to be 1½ per cent.

Inasmuch as many features of our accounting department would be necessary even though no credit were granted, we included only such items as would be saved by eliminating the charge accounts. These items included labor charges connected with the preparing and mailing of statements; assorting and compiling checks; returned goods department; credit manager; cost of reselling excess of merchandise returned on charge accounts over amount returned by cash customers; depreciation of equipment; supplies; postage on statements and follow-ups; legal expense and collection commissions; cost of collection letters; binders and record books, and losses on uncollectable accounts.

To the sum of the expenses rising from the foregoing factors we added 6 per cent on the average amount of all outstanding accounts, which represented the interest on the capital thus tied up. To all these we added a flat $1,500 to cover small and indefinite costs.

This percentage shows pretty conclusively that the cash store really saves its customers little money as compared with the store that extends credit within normal limits. I have no definite data to provide a comparison and show how near to normal is our own percentage, but I have a letter from a man of wide experience and authority in which he estimates that the cost in the average store is from 2 to 3 per cent.

A third argument against credit granting is that charge customers are more prone to return merchandise than those who buy for cash. We believe that this is reasonably to be expected, because decisions are so much more frequently made in the home than in the store. Our own records show that 1½ per cent of the goods sold for cash are returned, as compared with 6.79 per cent of the goods sold on credit.

This percentage we do not consider serious. Should it grow to large and unsafe proportions, of course, it would be necessary to adopt corrective measures. An unduly large percentage can be reduced in either or both of two ways: first, by selling customers so thoroughly on the goods in the first place that they stay sold; second, by

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imposing such restrictions as will curb those capricious customers who order goods promiscuously without honest intentions to keep them.

Charge accounts, of course, tie up a certain amount of capital; there's no getting away from that. And in these days of high-priced merchandise this point is unusually important. With the proper attention, however, the amount of capital thus tied up can be kept within reasonable limits. Furthermore, it can be turned over much more rapidly than the merchandise investment.

When we sell on time we consider that we have simply transferred stock from our floor to the homes of our customers. These goods we consider as representing a loss until they are paid for. So you may be sure our follow-up system works steadily.

On the average we turn our investment in accounts every two months. That is, we collect our accounts in from fifty to sixty days. To maintain this condition we render statements promptly every month, give the accounting department every possible assistance in the way of mechanical equipment to facilitate the prompt collection of bills, and follow up matured accounts regularly and persistently by means of the telephone, telegraph, bank draft, personal calls, and a series of carefully-prepared collection letters that bring results and save much time in dictation and preparation.

We find that one policy that promotes prompt settlements is the fixing of definite dates for future payments. Our experience proves that most customers will keep their promises when they agree to pay a specific amount at a specific time. To minimize the chance of possible misunderstanding or friction, however, we explain in a tactful way when the account is first opened that having established thirty days, for example, as the limit of the credit period, we expect the customer to live up to those terms. Seldom are we disappointed.

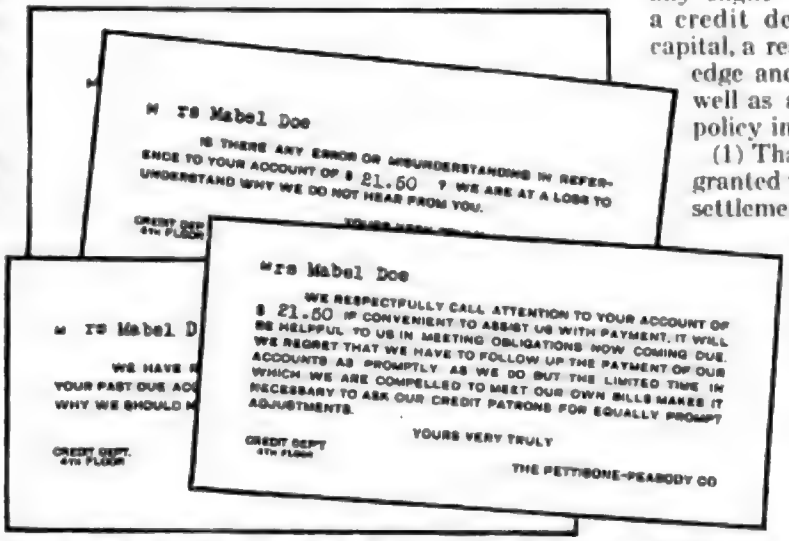
Before extending credit, of course, we determine the financial responsibility of each unknown applicant. Here in Appleton we have a credit information bureau that aids us in the necessary investigation.

In those cities not fortunate enough to have a credit bureau or other local trade organization to meet this need, a merchant usually can get the necessary information by inquiring of his fellow merchants. Most merchants are glad to exchange knowledge of this kind, and one may rest assured that a debtor who falls down on promises given to one merchant may be expected to disappoint another. Hence the merchant will avoid many a bad account if he requests references, these references to consist of the names of other merchants with whom the applicants for credit have carried accounts.

After an account has passed the due date and our requests for settlement are not responded to, the customer is not permitted to charge anything more until the old bill is straightened up. Occasionally, of course, this creates hard feeling. But usually we avoid giving offense by explaining that the rule is necessary to the proper handling of a credit department. In other words, we are careful never to make the delinquency a personal matter.

By these methods we are enabled to collect our accounts in an average of from fifty to sixty days. But even though a merchant keeps his collections up to this standard, it is scarcely likely that he would sell on credit unless the system had advantages which far outweigh the disadvantages.

The system grew up in our business, as it has in others, because customers found it a convenience and because we appreciated the fact that it promotes sales. The increasing use of the telephone, the parcel post and the rural delivery, all have been potent factors in developing the retail credit system. To these factors might be added yet another—the desirability of



Cards, three by five inches, sent out in attractive plain envelopes. On account of their appearance they were known for a long time as "Pettibone's wedding invitations"

records of goods bought and paid for.

Just as sales have been promoted by the other conveniences which the modern store provides for its patrons, so they have been promoted by credit. Elevators boom sales on the upper floors; telephones get the orders of the stay-at-homes and the shut-ins; as a stimulant to business we can place credit in the same class with these mechanical improvements.

It has also been our experience—and the experience of other stores is similar—that a merchant can establish a closer bond with credit customers than with those who pay cash. This is no disparagement of the cash customer; his trade is certainly welcome and is vital to the success of almost any store.

But take down some musty old pen-and-ink ledger from your reserve files, showing entries of twenty-five years ago. Turn its pages and you will run across many names still active on your modern ledger leaves. These permanent records of trade in names and amounts enable the credit manager to work in close co-operation with the selling force. A charge account always discloses the customer's name, and with repeated purchases such customers become generally known throughout the store. To be thus enabled to address them by name plays a further part in holding their good will, which in turn means all or the greater part of their trade. Another thing: the credit system lengthens the selling season. For example, women who buy spring coats in February on a charge account might be obliged to wait a month or two longer if they were obliged to pay cash. And all merchants know that the longer the selling season the less the risk of loss from reduction on stock carried over.

We favor the credit plan, then, because the material increase in our business more than compensates us for any slight disadvantage. Of course, a credit department requires extra capital, a reasonable amount of knowledge and ability in conducting it, as well as a definite controling credit policy involving these principles:

(1) That credit is a convenience granted with the understanding that settlement of the account is to be made within a definite time.

(2) That credit is granted only to such patrons as are in a position to meet their accounts promptly and will so meet them.

(3) That the collection of matured accounts must be followed up with regularity and persistency.

(4) That there must be centralization of responsibility in someone in authority in extending credit and in collecting accounts.

The merchant who can meet these essentials—capital, ability and sound credit policy—will in our opinion, based on an extended experience, find it materially to his advantage to conduct his store on a credit basis.

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A Lesson in Every "Want Slip"

By A. W. SHAFER

Advertising Manager, Davidson Brothers Company, Sioux City, Iowa

"I WANT to look at some bathing suits, please." The speaker was one of our best customers.

"With pleasure, Mrs. Baker." And the saleswoman led the way through the knit goods department to one rack of bathing suits after another. There they were—the rich tricolettes, the lustrous silk jerseys, the fluffy satins and taffetas, even the plain cottons. But Mrs. Baker didn't find what she wanted: she wanted an all-wool jersey.

The manager of the department was called, and to him Mrs. Baker said with a good-natured smile, "And I always thought that this store carried such complete stocks."

"So we do, Mrs. Baker; and these all-wool jersey bathing suits have been on order over a month, but deliveries, you know, are so uncertain."

Mrs. Baker finally bought a tricolette. But the fact that we were out of so staple an item—as a matter of fact, these suits had never been ordered—was recorded on a "want slip." When this slip reached the merchandise manager's desk on the following morning, a hurry call was sent out to our New York office for a large number of wool jersey bathing suits.

Another instance. Nine-year-old Billy Randolph visited our toy department with his fond and wealthy mother. "I want an airplane that flies," he demanded.

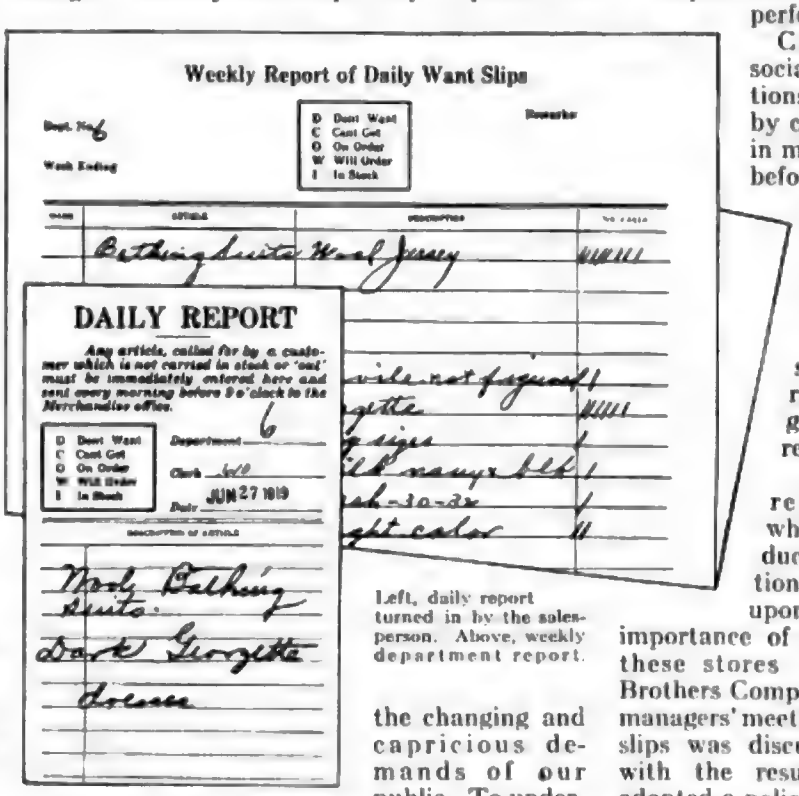
"I'm sorry, Billy," the salesman replied, "but we have no airplanes that fly." Then, to show his astuteness, he added: "You must buy them from Uncle Sam, and he won't sell them to you because you are too young."

"But I saw them advertised in The Boy's Chum," Billy persisted. "Some of them fly fifty feet, some of them eighty feet and some of them a hundred feet."

This case was reported on a want slip. As a result, we quickly got in touch with several toy houses and finally located one that had these real toy flying machines.

Today Billy has his "airplane that flies," and so have Jack and Bob and all his other friends in the neighborhood. And they all came from this store.

These are two typical instances of the way want slips keep us posted on the changing and capricious demands of our public. To understand the true significance of want slips in the scheme of modern retailing, we must keep in mind a clear appreciation of two well-established facts: first, that the chief purpose of every store is to satisfy demand, the result of taste; second, that public taste is as variable as the March winds, subject to continual change.


Weekly Report of Daily Want Slips

D Dont Want
C Cant Get
O On Order
W Will Order
I In Stock

Remarks

Dept. No. 6

Week Ending

Bathing Suits Wool Jersey

DAILY REPORT

Any article, called for by a customer which is not carried in stock or "out" must be immediately entered here and sent every morning before 9 o'clock to the Merchandise office.

D Dont Want
C Cant Get
O On Order
W Will Order
I In Stock

Department 6

Clerk

Date JUN 27 1919

DESCRIPTION OF ARTICLE

Navy Bathing Suits

Dark Georgette

Crepe

Left, daily report turned in by the salesperson. Above, weekly department report.

Human ingenuity has found ways and means of recording almost every phenomenon in nature. The barometer measures the pressure of the air and enables us to forecast changes in the weather; the thermometer measures the temperature; the seismograph records the degrees of vibration of the earth's surface.

In much the same way, want slips gauge the degree of change in public taste. If the store is to live a full and vigorous life, if it is to thrive and prosper, it must at all times reflect the public taste. More than that, it must be prepared, at any moment, to adapt itself to new conditions at the first sign of change.

But who or what will do this perceiving? The answer is—the want slips. These little scraps of paper must perform this important duty until the day when some genius, in a moment of inspiration, invents a more nearly perfect "gustometer."

Changes in political, social and economic conditions invariably are followed by changes in public taste in merchandise. And never before, probably, has man lived in times when these conditions were so unstable. It is for this reason that in progressive stores the country over the want slip system is being revived and utilized with greater vigor and better results than ever before.

I know of a number of representative stores which recently have conducted systematic educational campaigns to impress upon their employees the importance of the want slip. One of these stores is that of Davidson Brothers Company. In a department managers' meeting the question of want slips was discussed from all angles, with the result that the meeting adopted a policy of persistent effort in maintaining and perfecting the system.

Our experience since that time has convinced us that the system has far more than justified the extra work it entails. Our own want slips have provided a sensitive gauge to public demand. They have enabled us to add to our stock many a new line of merchandise which was not carried before, and thus enabled us to satisfy many an increasing demand.

Such a policy is advisable for every store, big or small, not only because of the profit derived from the sale of the added merchandise, but—what is vastly more important—because of the prestige it builds for the institution, stamping it as the place "where you get the new things first." The advertising value of such an impression can scarcely be overestimated.

The mechanical end of our want slip system is simplicity itself. The slip is filled out by the salesperson every time a customer inquires for something not in stock. At the end of the day the filled-out slips are turned over to the department manager for

(Continued on page 32)

Printing
from steel
gets a better reception



The impression created by your letters or statements depends not only on the printed or typewritten message, but also on the quality of the paper used and the character of the printing on that paper.

Printing from steel gives that distinguished effect characteristic of engraving.

It is especially effective for letter-heads, envelopes, statements and the like.

We will gladly submit samples—and prices—on request.

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848
New York Offices: 261 Broadway

THE PHILADELPHIA NATIONAL BANK *has a most attractive steel-printed letter-head executed by us. This bank has used Mann products for more than thirty-five years.*

Selling People You Don't See

(Continued from page 15)

the perfume department averages at least $20,000 a year—and very few of the patrons ever come near the store!

Another Philadelphia concern which makes excellent use of the telephone is the Knickerbocker Theater, formerly known as one of the hoodoos of the entertainment business. But the telephone put it on the map.

When the management changed hands, for the third or fourth time, a stock company was installed and three direct-line telephones were put in the lobby of the theater, with a sign calling attention to the fact that "This is our Special Department for selling tickets by telephone—polite, prompt service—call us up—Baring 323, 324, 325."

The three girls in this telephone box office have a comprehensive card index of all telephone subscribers in that section of the city and they call all residence phones, delivering a brief but pleasant selling talk which covers all the features of the production, including the fact that the best evening seats cost only 50 cents and that all matinee seats are sold at a quarter. "Of course," they add to subscribers in the immediate vicinity, "the fact that we're within walking distance also saves your paying carfare to get to one of the down-town theaters."

As the telephones are also used for incoming orders, their numbers have been widely advertised in the theater programs in the *Knickerbocker News*, a small publication giving advance information of approaching attractions, and on bill posters throughout the city. These latter arouse curiosity by the brief message: "Why worry? Call Baring 323."

When it is mentioned that the Knickerbocker seats 2,100 people, and that ever since the present management took it over it has been playing to capacity houses, it will be seen that it pays to telephone.

A grocer in Wilmington, Delaware, finds the telephone particularly effective as a selling aid in stormy weather. Few of his customers have the hardihood to venture out in the rain or sleet, so he calls them up and says:

"Good morning, Mrs. Snyder; isn't this a terrible morning! I'm not surprised that you haven't come out. And since you can't come down town, I thought I'd call you up to ask if there isn't something I can do for you. Now we've got ——"

The selection of people who are to be canvassed in a selling-by-telephone campaign rests with the merchant. He may use his telephone directory to obtain the names and telephone numbers of those he wishes for phone customers; he may canvass the people who come into his store, or he may solicit orders over the phone from persons who have been canvassed by his clerks.

One dealer, whose success in telephoning has been decidedly pronounced, started his campaign by making up a simple little card file which contained the names, addresses and telephone numbers of his prospects. On each card was written a list of articles indicating the tastes of each customer. He started to draw up a list of articles which could easily be sold over the wire, but he stopped when he realized that this would include practically everything in his store.

Then he started in to make his telephone sell for him. In a good many cases he found that the housewife was a bit flattered at being called; it seemed to please her to think she was considered a patron of such value as to warrant that sort of attention. Apologies were unnecessary, and the retailer soon discovered that he had been overlooking a good bet in failing to develop his phone list before.

In fact, as Austin, Nichols & Co., wholesale grocers, point out in a salesman's letter:

"In order to increase the size of the telephone orders, a grocer in Ohio provides his cashier, who receives all telephone orders, with two lists of goods—one of staples usually needed, the other of 'fresh arrivals.' Then, when a patron orders some little want by telephone, or even sends in a good-sized order, the cashier tactfully mentions the fresh arrivals and often gets a big addition to the order, usually for fresh, perishable goods. Again, if the customer, in answer to the question, 'Anything else?' tries to think of other wants, the cashier's 'staple list' comes in handy. This grocer maintains that these two lists constantly before his cashier have almost doubled the average size of his telephone orders."

Bamberger's Department Store, in Newark, N. J., has some interesting rules governing telephone salesmanship. For example, the phone clerks always ask, "May I take your order?" Greeting the customer with "Hello" is never permitted, nor is it allowable to say "Bamberger's" or "Order department." Too many customers think that if they wish to order shoes or gloves they must be connected with the shoe or glove department. No clerk is permitted to make recommendations relative to merchandise ordered, it

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being impossible to introduce the personal element in a department where so many calls are handled. All orders are sent immediately to the division superintendent of the department in question, for it is an ironclad rule of the store that telephone orders are to "clear" on the day they are received.

In the same room with the phone order department is the "red phone" operator, with her own switchboard. On each floor of the store, in conspicuous places, are red instruments, each of which is a separate information bureau. They are for the use of customers who desire any information whatever about the store, even to its history, and not a few customers make use of these instruments to offer valuable suggestions.

Of course, there are those who ask "fool" questions, just for the joy of the thing. Not long ago a man's voice inquired over the red phone, "Where can I find birdseed for a cuckoo clock?" And the operator replied, instantly and with perfect dignity, "We haven't any in stock just now, but if you will be kind enough to leave your name and address we will try to get it."

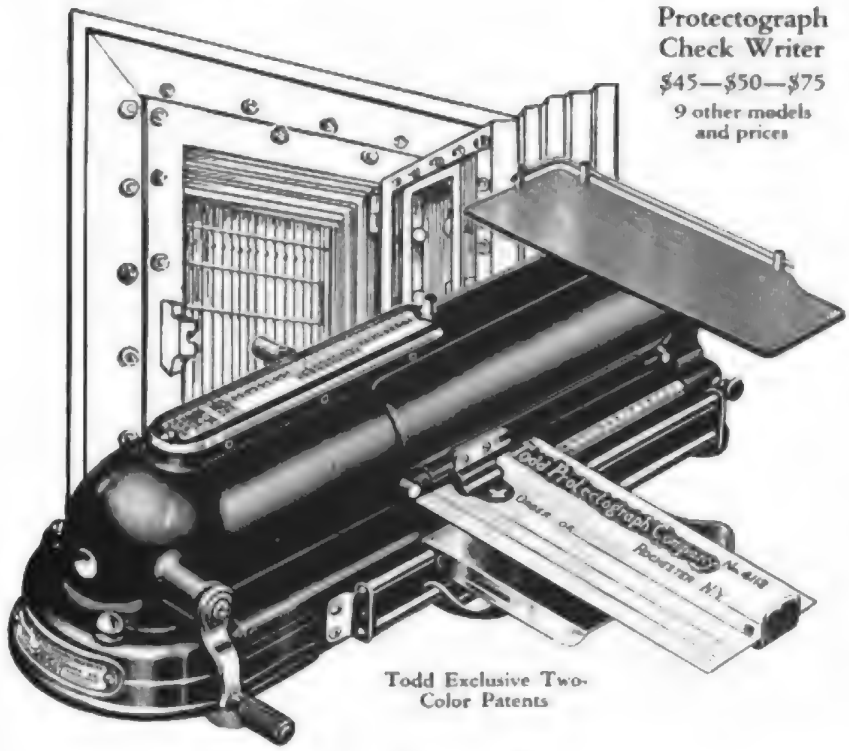
A click from the other end of the wire indicated that the caller had hung up, but he hadn't "gotten a rise" out of the phone girl, as he expected. Seed for a cuckoo clock and other impossible items, however, are about all that is not sold over the extensive and well-regulated phone system of "Market 1," a system that keeps twelve girls working all day long taking orders from customers in all parts of northern New Jersey.

A Boom in Washing Machines

A newspaper article, stating that there was a shortage of washerwomen in Wilmington, Delaware, formed the basis of a simple but effective window display for the Wilmington and Philadelphia Traction Company.

An electric washing machine was placed in the window, with two showcards calling attention to the device and the fact that it could be bought on easy payments. To the right, and on a level with the eye of the passerby, appeared a clipping of the article about the shortage of washerwomen.

No other connecting link was necessary. Every one who looked into the window saw the point—and the W. & P. T. Co. sold fifteen electric washing machines that week, while other concerns in the same block failed to sell one.



Protectograph Check Writer
$45—$50—$75
9 other models and prices

Todd Exclusive Two-Color Patents

On Guard

Solid walls and bolts of steel, ponderous time locks and burglar alarms, all stand between the crooks and your valuables in the safe-deposit box.

But what about your checks?

Nothing but "a scrap of paper" between the check swindler's clutching fingers and your active bank balance, the life blood of every going concern. Don't let your concern be one of those that lose thousands of dollars yearly through check frauds. Don't issue checks without the complete protection of

TODD

Protectograph System

backed by an ironclad Insurance Policy—
the premium paid by Todd

Todd System consists simply of (1) PROTOD chemical-fibre checks and drafts (preventing any change of payee's name or date), each check registered like a Government bank note to prevent duplication or "counterfeiting"; and (2) the patented Two-color Amount Line of the Protectograph Check Writer, like this—

EXACTLY FIFTY ONE DOLLARS SIX CENTS

(Imprint of the new "Exactly" Speed-Up Dial; denominations in Black, amount words in Red).

"Shredded" through the paper in red and black ink, in words representing Dollars and Cents, exact to the penny—a complete word to each stroke of the handle. 750,000 Protectographs in use, by the world's leading banks and business houses in every line—each instrument bearing the name and guarantee of Todd.

Do you think *your* checks are safe? If you do, or do not, or if you are not quite sure, just return this coupon and get the facts about check raising. This mystery book, written in State Prison by a celebrated forger, is for responsible business men only, so be sure to enclose your business letterhead with the coupon.

TODD PROTECTOGRAPH CO.
(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices. Sales and Service Branches in 100 cities throughout the World.

1179 University Avenue, Rochester, N. Y.

"Scratcher" The Forger
His Book
(Written in State Prison)

FREE, please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name _____

(enclose your business card or letterhead)

TODD PROTECTOGRAPH CO., Rochester, N. Y.
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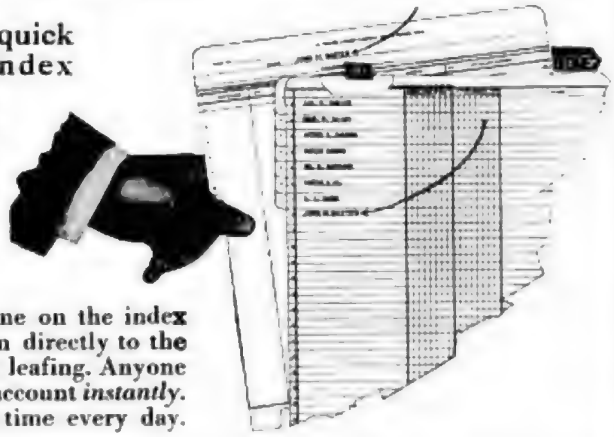
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Of especial interest
to users of the bookkeeping machine!

Rapid-Fire Index System
for Ledgers and Stock Records

the speedy, quick reference index that makes the account sheet you want, *the first sheet you touch.*



You see the name on the index page—then open directly to the account without leafing. Anyone can look up an account *instantly.* Saves hours of time every day.

You turn directly to the account of John M. Baxter without thumbing over any leaves, and without interfering with any other account. One unfamiliar with the ledger can easily find any account BY THE NAME. But the bookkeeper knows the position of the accounts, and turns mechanically to each account as wanted without even referring to the name on the index page.

You index the name before starting the account. You know that the account is in the ledger IF THE NAME IS ON THE INDEX PAGE. With the name index you have the assurance of safety and prevention of lost accounts.

Hruska Rack Bookkeeping Machine Ledger



This wide-expansion steel-back ledger is especially adapted for use with the bookkeeping machine. Has capacity for 400 to 600 accounts, with ample room for handling. Quick-acting locking mechanism—holds sheets securely—fitted with attached folding steel rack—guaranteed to give satisfactory and lasting service.

We make the ADJUSTO Tray-Binder, and a complete line of supplies pertaining to modern accounting systems.
BINDERS—TRAYS—STEEL FILING EQUIPMENT
LEDGER LEAVES—STATEMENTS—INDEX SYSTEMS.

You are invited to write for particulars.

Lefebure Ledger Company
Makers of Machine Bookkeeping Equipment
Cedar Rapids, Iowa, U. S. A.

So This Is Wanamaker's

(Continued from page 10)

refunding the purchase price without question.

By the balcony on the second floor—the second floor which is really the third floor—we paused for another view of the world's greatest pipe organ. This organ, by the way, is a bauble which was built at a first cost of $315,000 and which delighted hundreds of thousands at the St. Louis Exposition. Mr. Wanamaker rescued it from a gloomy warehouse in St. Louis after the exposition, shipped it east and wedged it into the Grand Court in the space between the first floor and the seventh. It weighs 375,000 pounds, and so large and so many were its parts that thirteen freight cars were required to bring it across the continent.

One of the greatest musical events in Philadelphia's history was staged at John Wanamaker's, March 27 last, when Charles M. Courboin, the Belgian organist, played this organ in concert with the Philadelphia Symphony Orchestra, composed of 100 players. Promptly after 5 o'clock on that day several hundred thousand dollars' worth of merchandise was whisked out of the way and 12,000 seats were distributed over the main floor and the six balconies.

While we stood there the organ started up on the last performance for the day. Behind what looked like a cumbrous desk in a curtained booth on the balcony below us and across the court, we could just discern the slightly swaying head of a man. This man was the organist, yet so completely detached from the organ did he seem, so oblivious to his surroundings, that instead of controling that hurricane of melody that rolled and crashed and reverberated throughout the building he might have been nodding over a lawyer's brief.

The classic tempest subsided and we stood at various attitudes of attention while the organ played the next and last air—The Star-Spangled Banner. Somewhere in the distance a bugle sounded the call to quarters. Wanamaker's was closing for the day.

After the other visitors went their ways I lingered behind to ask our guide a few questions about these tours. He told me they had been a Wanamaker institution for the last six years—ever since the new building was occupied. The number of tourists has averaged 20,000 a year. In the one month of August of the present year they numbered 4,000.

I was tempted to ask Mr. Jones whether these figures represented the number of people who started on the tours or the number of those who

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completed them. To explain what I mean, I must let you in on a secret.

You remember I said that when we started on this tour our party numbered forty persons? Well, when the bugle broke up the party there were just twelve of us left to thank Mr. Jones and bid him goodbye.

Needless to say, Mr. Wanamaker will be pretty sore when he discovers that these parties that start out so bravely from the roof trickle away before they reach the main floor, simply because people want to take home "something from Wanamaker's." He'll either abandon the tours entirely or do something to jazz them up and keep the parties together until they reach the exit.

You can see for yourself that 20,000 strange pocketbooks in a year must make a big hole in Mr. Wanamaker's supply of Persian rugs, Hamlinite peelers—patent applied for,—Japanese idols and Italian well-tops. What's more, the kale must litter up the cashier's desk something awful.

"Insure Your Hogs"

A company in Des Moines is doing a thriving business in insuring the lives of hogs. An insurance policy can be bought at a rate as low as one cent for each pound the hog weighs.

For several years state officials and agricultural experiment stations have been compiling statistics on the hog, and they have found that one in every sixteen dies of disease. In its work of knocking the gamble out of the hog-raising business, this company advertises in farm papers, picturing the hog as the heavyweight when it comes to lifting the mortgage—a heavyweight whose life hangs in the balance at a ratio of 16 to 1.

In each locality where it operates, the company is represented by a competent veterinarian. First, the herd must be examined before the insurance is allowed. The policy provides for regular inspection of the herd.

The amount of insurance is determined by the owner. He may insure for anywhere from $10 to $20 the hundredweight. If the hog dies, three-fourths of the amount stipulated in the policy is paid, providing this three-fourths does not exceed what the animal would be worth in good condition at the market price. Pigs cannot be insured until they are sixty days old.

The policies run six months. The rate for insuring the life of a hog for $10 the hundredweight is 67 cents if the hog has been vaccinated against cholera, and $1 if it has not.



A LITTLE GIANT
of MODERN EFFICIENCY

SAVE money and you deny yourself. Save time and you are ahead, from all angles. Good business dictates that you intelligently acquaint yourself with all the efficient labor saving devices the market offers.

BRANDT AUTOMATIC CASHIER

is a labor saving machine that completely accomplishes its purpose. It makes change without figuring—without delay. Mistakes are impossible. A child can operate it. It is inexpensive.

Used wherever money changes hands—in retail stores, banks, ticket offices, factories and business institutions of all sorts.

Write your name and address on the coupon below, and we will send you a booklet describing the Brandt and its concrete uses.

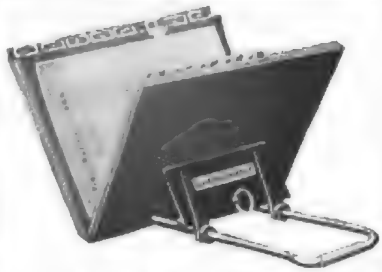
BRANDT MANUFACTURING COMPANY
WATERTOWN WISCONSIN

Representatives in all principal cities.

Please send booklet describing ***Brandt Automatic Cashier,*** with names of users in this vicinity.

BRANDT MFG. CO.,
WATERTOWN, WIS. _____

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INSTANT
REFERENCE FILE

FOR

Letters, Invoices, Requisitions, Back Orders, Follow-ups, Bills of Lading, Stock Sheets, Ledger Sheets for posting, or any other matter needing classification—alphabetical or numerical.

Handles all *Current Papers* so they may be located *Instantly.*

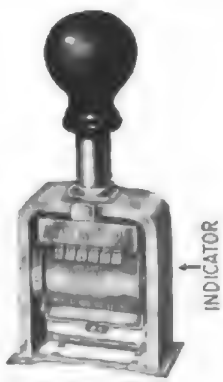
Made in all sizes and indexed as desired.

Desk Files and Card Systems
that save Time and Space.

Portable *Sectional*

THE KOHLHAAS COMPANY
Manufacturers
Lake and Dearborn Streets Chicago
Detailed information on request.

"IT'S VISIBLE"
AMERICAN MODEL 41



6 Wheels
$15.00

123456
Impression of Figures

CONSECUTIVE—DUPLICATES—REPEATS

Steel Throughout. *The Machine With the Guarantee.*

DEALERS EVERYWHERE

AMERICAN
NUMBERING MACHINE CO.
220-226 Shepherd Ave., Brooklyn, N. Y.
New Catalogue on Request.

Back To Prosperity

(Continued from page 29)

the quick-selling, everyday articles that bring in a steady flow of cash. Then, too, as is always the case when a merchant is not watching things closely, there were half forgotten deposits of merchandise under the counters, in dark cupboards, in the cellar, and everywhere else that a succession of clerks had found it convenient to tuck things away.

The wholesaler stayed in town two days helping Lathrop and his clerks set things in order. When all the inactive stock had been dragged from its various hiding places and a showcase or two moved around, the store really looked like a new establishment.

But the greatest change was in Lathrop himself; he began to have a new feeling of confidence and a hopefulness that had not been his for years. He had something definite to work on.

Eighteen months later, Henry Wood sat in his office when one of the other local wholesalers dropped in on some business, and the conversation turned to the ever-present subject of collections.

"By the way, how did you come out with our old friend, Sam Lathrop?" the other wholesaler asked.

For answer Wood took a letter out of his desk and handed it to the visitor. It was dated a day or two previously and marked "personal."

"I guess this letter will explain Sam's case better than I could tell you," said Wood.

"My dear Mr. Wood," the letter ran. "I am enclosing draft for the amount of my last week's receipts, less what I paid out for running expenses. I believe this will finish up paying off all the old debts; the balance I now owe is for current bills only.

"In looking back I can see that the trouble with me was weakness; I could not take the hard knocks of business and act as if nothing had happened. I was scared of my own business.

"I can remember how proud I was of my store when I first opened up. I didn't have a very large stock of goods, but I certainly made the most of what I had. I used to change the merchandise round and arrange it in different ways so my customers would not know what small assortments I really had. I used to go back to the store nights a good deal that first year to work on the stock; and when I would pull down the curtains and lock myself in I would always stand a minute or two and look round so as to get a fresh thrill at the thought that it was all mine.

"Then I began buying goods on credit. It seemed wonderful that I, who a little while before had been only a clerk, could give an order to some salesman representing a house I had never even heard of, and the goods would come to me without a cent of money. It was so easy to get merchandise that I slipped into the habit of buying when I didn't really need it; then the new goods would sell first and the old ones would get shoved into the background.

"I date my troubles back to the time when I first turned down a draft. It was for $140, and I didn't have that much balance in bank. I made some excuse to the boy who presented it and he said all right, they would send it back. I mailed a check a few days later, but not until I had received a pretty sharp letter from the house. After that I had to turn down other drafts and received other sharp letters. I could no longer look round my store and feel that it was all mine; a good part of it belonged to my creditors and they were dissatisfied with the partnership.

"Gradually my business got to be a burden. I was harassed by my unpaid bills until I was glad of any excuse to stay away from my store. I was in no condition to do my trade justice, and every year saw my business a little less than it was the year before.

"When you told me that you would look after my finances for a year it seemed as if I was getting out of jail. At last I could feel that I had something solid under my feet. I could devote myself to selling goods instead of fighting off creditors. My sales this year are more than a third greater than for the same period last year.

"At this rate I shall be on a cash basis in another twelve months.

"Sincerely,

"Sam R. Lathrop."

"Delivery by Next Airplane"

New York department stores are preparing to deliver Christmas packages to out-of-town customers by airplane. The task will be handled by the Adams Aerial Transportation Company, which has bought a naval seaplane capable of carrying 1,200 pounds. It is expected that the plane will run on schedule, landing at all towns between New York and Providence, R. I., that have landing facilities. Charges will approximate express rates, it is said, but the packing required will be simpler and less expensive than required by express shipments.

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Once to Every Man

comes the time when his success or failure depends upon the decision of his superior. Futures are settled then.

"Young man, I wish I could give you this position, but you have never prepared for it. *You won't do.* The man who takes it must be able to interpret operating reports, to analyze our own business conditions, to dissect costs; in brief to apply the acid test to figures. You should have trained in accountancy had you wished to do important executive work."

When the moment arrives for the boss to decide *your* future, you must be prepared. You must be qualified to swing the balance of power in your favor, and *training will do it*—a simple, yet thorough and efficient method of training will assure you his favorable decision which means your financial success and power.

PLUS

Be an Accountant-

Accountancy is the factor which is constantly in the minds of industrial and commercial commanders when selecting men for positions higher up. Positions with splendid salaries are practically going abegging for accountancy trained men to fill them. It is a positive fact that you *can* train yourself in spare time to hold successfully one of these positions.

The Trained Mind Is the Factor

which assures success. It is purely and simply a question of having the proper kind of training in order to be prepared for victory when your hour of opportunity arrives. The few hours devoted to accountancy training will pay dividends of many dollars in the near future.

Low tuition and easy terms place the benefits of I. A. S. home study training within the reach of every ambitious man.

Intensive Instruction Will Prepare You

More than six months may be saved by the I. A. S. method of intensive instruction in accountancy which trains you through a simple, efficient spare time plan. Personal and individual attention is given each student by Faculty Members who are practicing Certified Public Accountants of national repute, and who specialize in teaching their profession thoroughly.

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Fill in the request blank and mail it to us. We will send you free our interesting book, "Stories of Success." It shows graphically how any number of men followed the dictates of their ambitions and are today holding premier positions. In making this request there are no obligations placed upon you in any form, write for it.

International Accountants Society
2626 S. Michigan Ave.
Department 80-N. Chicago, Illinois

Request

International Accountants Society
Dept. 80-N. Chicago Illinois

Gentlemen:-

Please send me without obligation, your booklet "Stories of Success" and full particulars regarding your training, as advertised in System, the Magazine of Business.

Very truly yours,

Name _____

Address _____

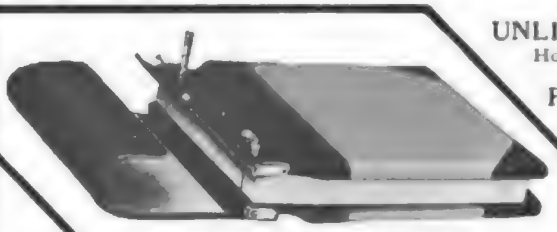
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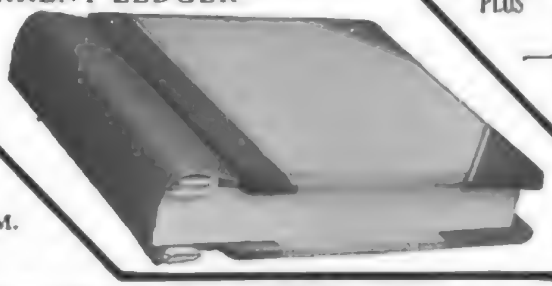
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CURRENT LEDGER

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The Flexi-Post Binder is compressed by drawing the flexible post into the case. Extra expansion secured by adding post sections.

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Handsome Binding.

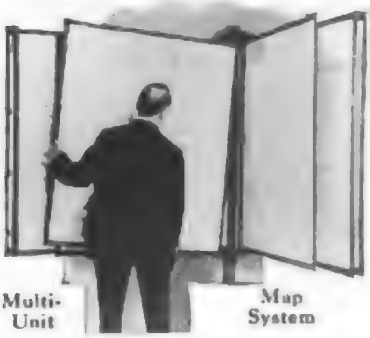


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Address Home Office, 28 E. Georgia St., Indianapolis, Ind.

Business established 1895

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Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Loses advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Moves back if not more than pleased. *Sent postpaid for $1.00*

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Handling Petty Cash In Your Business?

The "Universal Petty Cash Register" is the modern method of handling petty expenditures. Sample form No 101 mailed FREE upon request.

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One concern paid $17,000,000 in one year for freight. Many pay $1 expert or more. Salaries are worked annually because of [illegible]. Be expert with us by mail. You can be a traffic expert—stop losses—make big money for yourself.

Learn at Home—Book Free

[illegible] Free booklet explains [illegible] Write now for free book telling about traffic work, its opportunities, and how you can learn.

American Commerce Ass'n, Dept. 918, 226 S. Wabash, Chicago

A Lesson in Every "Want Slip"

(Continued from page 25)

examination. In the column at the left, before each "want," he places one of the initials D, C, O, W or I. The key to the initials appears at the top of the slip. The slips are then sent to the merchandise manager, who has them copied into the weekly report.

Each department keeps a weekly report of its own. At the end of the week the merchandise manager calls the department heads together and the conference decides what shall be done about satisfying the various "wants" revealed by the reports.

There is another point about the want slip system, which should be emphasized here: namely, the part it plays in regulating, to a certain extent, the buying policy. In these days of uncertain markets and loop-the-loop prices the merchant should reject no aid that might shed light on what to buy and what not to buy. To stock up with some novelty for which there is no demand must entail loss. Loss is no less certain if the merchant fails to stock a novelty for which the demand is waiting. And how, in a big store, can he distinguish between the growing demand and waning demand without want slips?

Responsibility for the want slips is vested in the department managers. They miss no opportunity to iterate and reiterate to their salespeople the importance of filling them out as soon as calls are made by customers.

To summarize:

The want slips are the thermometer of public demand, showing the degree of change in public taste.

They make it possible for a store to respond quickly to any change in demand, thus earning for itself the reputation of being alive and alert.

They build up volume and add to the revenue of the store through the addition of new lines of merchandise.

They serve as safety valves that prevent errors in buying—errors that are common in these days of reconstruction.

They create the impression of the customers' all-importance to the store and of the management's endeavor to raise the standard of the store's service to the community.

Discount for "Early Birds"

The Lazarus Brothers department store, of Wilkes-Barre, Pa., has found a way to induce people to shop during the quiet morning hours. It offers a special discount of 5 per cent to all patrons who shop between 9 and 10 a. m. The discount is featured in the store's advertising and has helped to relieve congestion in the afternoon.

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The Spokane Way

SUGGESTIONS and advice are sought by the National Vigilance Committee of the Associated Advertising Clubs of the World as to what might properly be covered in standards of trade practice for the retail furniture business.

The advertising association, in its work toward more truthful and therefore more effective advertising, is interesting itself in uniform standards which can be submitted by local vigilance committees to the retailers of their respective cities, to guide them in advertising statements and selling practices.

Experience has shown that nearly all of the misleading advertisements, in furniture and in all other lines, are the result of practices which have gradually taken root in the various communities and that such methods are continued largely because no one has taken the trouble to tabulate them and to suggest that they be eliminated.

In communities where such standards have been adopted, advertisements not only have been improved as to their truthfulness, but have also become more effective otherwise, more interesting and more profitable to the retailer.

Many of the evils, which have been corrected through the adoption of such standards, grow out of the use of the terms known to the trade but not fully understood by the public. For example, the word "leather" has been used by the trade in many instances, in a manner which described the material clearly to the trade, yet a great many laymen have been misled as to the nature of the materials so described.

Such standards as have been adopted in several cities, at the suggestion of local units of the Associated Advertising Clubs, have proved of great benefit.

While several local vigilance committees have brought about the adoption of standards, Spokane, Wash., perhaps, has longest had an effective instrument of this character, and the following standards, in force there, have been found decidedly helpful:

First— It will be understood that the word "solid" applied to any given variety of wood, of which an article of furniture is manufactured, means furniture with absolutely no veneer: solid top, solid drawer fronts, solid drawer slides, and all post work and feet solid.

Second—It will be understood that the simple term used in designating a kind of wood—as mahogany, walnut, maple, etc.,—means posts of that given variety of wood, and all other parts of the article veneered wood of the kind designated.

Third— It will be understood that when a piece of furniture is made of one variety of wood throughout, with the exceptions noted in the second paragraph of Section 1, but which nevertheless is not solid in construction, that same may properly be described by using the term "ALL WALNUT" or "ALL MAHOGANY," as the case may be. Articles coming under this description would be of veneered or built-up construction, both the veneer and the base being of the same variety of wood.

Fourth—It will be understood that when an article of furniture is made up of a combination of two or more kinds of wood—as mahogany, and gum, American Walnut and Birch—that it must be so described, by using the word, "combination" in connection therewith, or other qualifying term, which conveys clearly that the furniture is a combination of more than one kind of wood.

By Analyzing His Sales

(Continued from page 17)

he is selling in each of his different lines, how much the goods in each line cost him, and how much each line is earning."

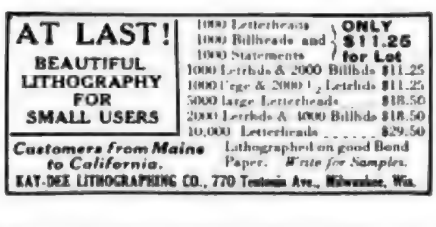
Mr. Pfeiffer paused to wipe an imaginary spot from the spotless showcase.

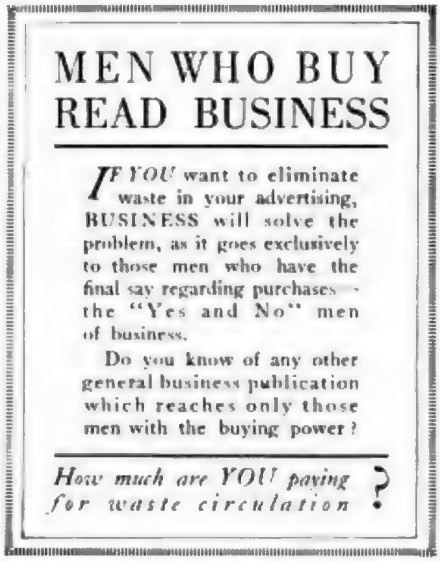
"And yet many business men say that figures aren't worth the trouble it takes to compile them," I ventured.

"Figures in themselves mean nothing," Mr. Pfeiffer replied, "unless they are compared with other figures. It wouldn't mean a whole lot to me to know that I had sold $2,200 worth of watches in July of this year, but it is worth a lot to me to know that in that same month the volume of sales in watches was eight times the volume of sales in silverware. Or that our sales of watches increased 10 per cent over the month before and 25 per cent over June a year ago.

"We have learned by experience, too, that a large volume of sales doesn't always mean a large profit. Some sales carry more profit than others, and the only way the business man can determine whether the profit-producing lines are moving as they ought to, is by analyzing his sales—adding them up by classes at both cost and selling price. In that way only can he know just what each line is earning."







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Adding—Bookkeeping—Calculating Machines

Burroughs

—for $125.00"

Many a man holds the belief that he can't buy a high grade adding machine for less than $400 — or $300 at the very least. Years ago he would have been *right*. Today he is *far from it.*

The Burroughs "Style 301" is built from the same tested materials, and with the same care as all other Burroughs models—like all of them it is backed by thirty years of Burroughs experience in building adding, bookkeeping and calculating machines—yet it sells for $125.00

In the "Style 301," as in any other variation of Burroughs Adding, Bookkeeping and Calculating Machines, the price does not represent the value to a business, but merely what it costs to market a machine of that size and type according to Burroughs standards of quality



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A book that every file clerk will be glad to have—

It is called—*"Filing as a profession for women."*

It points out the opportunities in filing as a permanent profession and shows the need and the value of study in this important branch of business.

No longer can filing be done by the office boy or by any stray clerk who has the time. Business has grown too big for that. Today, the Filing Department is recognized as one of the most important divisions of a business.

The same principle holds good here as in any position:—the more you know about your work, the easier and more interesting that work becomes:—the more satisfactory to yourself and to your employer.

This book treats the subject thoroughly and authoritatively and is well illustrated. We shall be pleased to mail it free to every file clerk and business executive who is sincerely interested. You may call for it at our salesrooms if you prefer.

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Founded 1876

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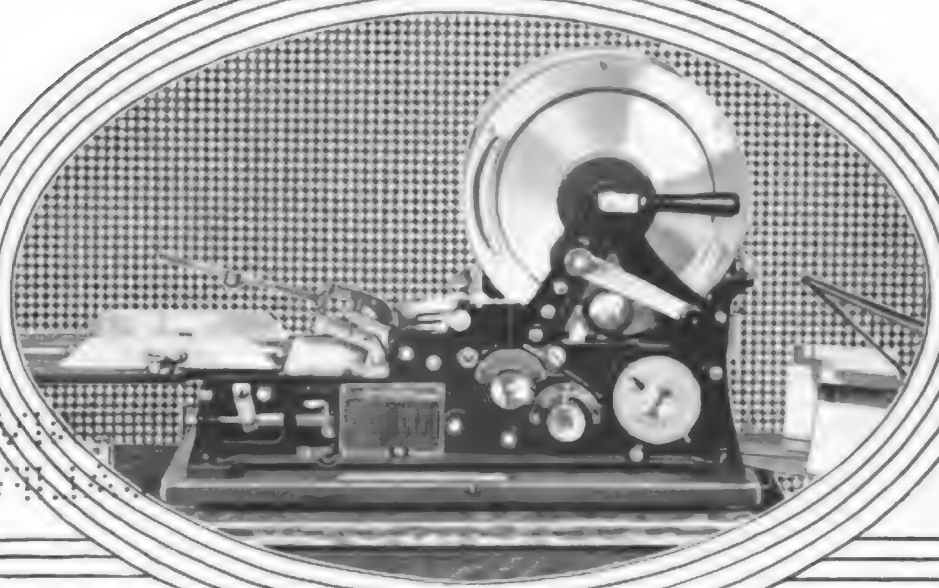
Albany, 51 State street
Atlanta, 103 N. Pryor street
Baltimore, 14 Light street
Birmingham, 2205-6 Jefferson County Bank bldg
Bridgeport, 989 Main street
Buffalo, 120-122 Pearl street
Cleveland, 943 Superior arcade
Columbus, 29 South Third street
Denver, 450-454 Gas and Electric bldg.
Des Moines, 302 Hubbell bldg.
Detroit, 68 Washington blvd.
Fall River, 29 Bedford street
Hartford, 78 Pearl street
Houston, 708 Main street
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 620 Caswell block
Minneapolis, 423 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 637-639 Oliver bldg.
Portland, Me., 645 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1223-24 Mutual bldg
St. Louis, 223 Boatmen's Bank bldg.
St. Paul, 116 Endicott arcade
Scranton, 404 Connell bldg
Springfield, Mass., Whitney bldg.
Syracuse, 405 Dillaye bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N. W.
Worcester, 210 State Mutual bldg.

Distributors

San Francisco, P. W. Wentworth & Co., 539 Market street
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BUSINESS



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KALAMAZOO *Service Sales Offices Everywhere* MICHIGAN

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BUSINESS

Volume 1, No. 4 January, 1920

Lucien Kellogg, *Editor* P. P. Martin, *Business Manager*

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Published monthly in Detroit, Michigan

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No business too large or too small. Rand visible control shows the facts at a glance.



How visibility speeds service and cuts overhead

ONE glance—and in a twinkle all facts are before you. The RAND visible card system of office equipment not only cuts down time and effort spent in "hand digging" for records, but paves the way for bigger business with less overhead.

In Credit Departments—it permits prompter service to the waiting customer and saves labor, worry and losses.

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The weight of the material used, the sturdy construction, the practicability of each device—in all these things RAND equipment excels.

Write the Home Office to show you how RAND can help your business by placing your records on cards, complete, *at your finger-tips.*

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Where Do They Go From Here?

By SAMUEL O. DUNN, Editor the Railway Age



THE RAILROAD problem is one of the most important, and is certainly the most immediately pressing, of the reconstruction problems of the United States. It must be solved in some way very soon; and unless it is solved right the entire business and public of the country will suffer seriously.

Broadly speaking, two classes of plans for its solution have been proposed. One of these classes contemplates the adoption of government ownership and management either by the government or by the employees. The most widely and vigorously advocated plan involving government ownership is the Plumb plan, which is backed by the railway labor unions and which would put the management of the roads in the hands of the employees.

All plans of the second class referred to provide for a continuance of private ownership and corporate management, but they differ considerably in their detailed provisions.

It now seems certain that some plan providing for private ownership and private management will be adopted. President Wilson announced last May that the railways would be restored to their owners at the end of this year, and most of the time since then committees of Congress have been working on new legislation to be applied after the resumption of private operation.

Whether the legislation now being framed will be passed before January 1 is a question of importance. Director-General of Railroads Walker D. Hines has announced that he will not make any further advances in freight and passenger rates while the roads are in the hands of the government. If the carriers should be restored to their owners without any previous advance in rates, and without any legislation having been passed for the reformation of the old system of regulation, the results might be disastrous.

Even more important than the question whether any new railway legislation will be passed before the carriers are returned is the question of what the provisions of the new legislation will be.

The reason why the return of the railways to their owners, without any previous advance in rates or legislation, probably would result disastrously is best indicated by the statistics regarding their net operating income during the first eight months of 1919. The compensation guaranteed by the government to the companies is based upon the net operating income actually earned in the three years ended on June 30, 1917. The net operating income in the first eight months of those years averaged $562,000,000. The net operating income earned under government operation in the first eight months of 1919 was only $327,000,000, or 41 per cent of the guaranteed standard return, leaving a deficit for this period of $235,000,000.

While a large deficit was incurred in the first six months of this period, the railways nominally earned the government guarantees and a small surplus in July and August. But it is questionable whether a surplus really was earned even in these months. The statistics regarding the expenditures being made for maintenance indicate that the government was not adequately keeping up the properties. In addition, about $1,200,000,000 has been spent under government control for permanent improvements, and the interest on this must be added to the deficit to ascertain the total amount of it.

The deficit reached its peak last March, when, owing to the cessation of a vast amount of war business, the freight traffic of the railways sharply declined. There has been a remarkable recovery of freight traffic since then, and this is the principal reason why the deficit being incurred has been so greatly reduced.

But the present net operating income, even though nominally larger than the government's guarantees, affords no assurance that the return of the railways to private operation without an advance in rates may not result in immediate disaster. The government, with the present rates in effect, incurred large deficits not merely in the first six months of this year, but in every month from October, 1918, to June, 1919, inclusive. The railway results of three-fourths of a year are a better test of the sufficiency of the rates in effect than those of only three months of that year.

Besides, it is improbable that in the absence of new legislation the existing rates could be maintained after the railways were returned to private operation. The present interstate rates, which were made by the director-general and approved by the Interstate Commerce Commission, could legally be maintained, but the director-general also advanced the state rates.

It is the opinion of most lawyers that

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in the absence of new legislation the state rates charged before government operation was adopted would be automatically restored on the return to private operation; and if the state rates generally were reduced they would pull down with them a large part, if not all, of the interstate rates. The result might be practically to wipe out the entire net earnings of the railroads. That would bankrupt most of the companies and precipitate a panic. Neither the President nor Congress, nor both, would care to assume the responsibility for any such catastrophe.

It seems reasonable, therefore, to assume that either the legislation needed to enable the railways to be returned safely to private operation will be passed before January 1, or the present guarantees will be continued until it is passed.

While an advance in rates and new legislation are necessary to make it safe to return to private operation and withdraw the guarantees, this is not the only reason why new legislation is necessary. It cannot be too strongly emphasized that the railroad problem will not be solved, or anywhere near solved, by the mere return of the railways to private operation under conditions which will protect the companies from immediate insolvency.

The companies must also be given opportunity to restore the railroad industry to prosperity. I think it can be demonstrated that unless the railroads are allowed to prosper, other businesses and the public will be unable to prosper. If this can be done, it follows that it is to the selfish interest of business men and the public generally to lend their support to legislation which will be conducive to railroad prosperity.

Relatively few business men and only a very small part of the public understand the conditions which now exist in the railroad field and which will exist when the carriers are returned to private operation. If these conditions are not rapidly and radically changed, the result will be a slow strangulation of American industry.

No man is in a better position to know the existing situation, and the reasons for it, than the director-general of railroads. Mr. Hines made an address before the National Association of Railway and Utility Commissioners in Indianapolis on October 15, in which he referred to the fact that the freight business then being handled was the largest ever known. He added in part:

"There is a special and obvious reason for the difficulty which now confronts the railroads in handling all the business which is being offered, and that is the inadequacy of facilities, and especially of freight cars. * * * In the year or two preceding federal control the normal additions to cars and other transportation facilities were not met because prices were very high, labor was scarce, and financing on the part of the railroad companies was unusually difficult. * * * During the first year of federal control there was a severe limitation as to the amount of material that could be taken from other war purposes to use for providing additional railroad facilities. * * * When the year 1919 began, we were confronted with a new difficulty in the way of adding to the facilities, and that was that federal control naturally was approaching its end from the time the armistice was signed. * * * More than that, the failure of the appropriation on the 4th of March last, which had been sought by the Railroad Administration to enable it to meet its obligations already incurred, postponed the construction of even the hundred thousand cars that had been ordered, because they could not be paid for, and the equipment companies naturally had to slow down on their production. The railroad companies were unwilling to furnish money for new equipment because of uncertainty as to their own future. * * * So that that inadequacy of facilities, which were inadequate before federal control began and which have become increasingly inadequate since that time, principally accounts for the fact that the facilities now are not sufficient to handle all of the enormous business which is offered. * * * We are in a waiting and uncertain situation with reference to the provision of transportation facilities, and it is a matter of very grave concern to the country."

Even Mr. Hines' forceful description of the present conditions does not make so deep an impression as the statistics bearing upon the subject. The reader will recall that in the early part of 1907 wide publicity was given to an estimate by James J. Hill, that to provide adequately for handling commerce the railroads should invest at least $5,000,000,000 in additional facilities during the next five years. He was as good a judge of the needs of the railroads at that time as any man. But during the ten years from 1906 to 1916 the new investment made was barely $5,000,000,000. Therefore, at the end of 1916 the development of the railroads, on Mr. Hill's theory, was five years behind where it should have been. The freight business increased 59 per cent in those ten years, while the number of freight cars in service increased only 27½ per cent, and other facilities in proportion. The results were acute congestion and serious delays of traffic.

Three months after the end of 1916 the United States entered the great war. While the expansion of railroad facilities during the ten years before this time had been insufficient, it was large compared with what it has been since. Let us assume for the purposes of this discussion that the development of the railways during the ten years ending with 1916 really was normal, and using the rate of development during that time as a standard, try to determine how much they have fallen behind since 1916.

If the railroads during the last three years had built new mileage at relatively the same



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Railroad yards and steamship piers, Detroit

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rate as during the preceding ten years, they would have built approximately 10,500 miles. But there has been an actual reduction of railroad mileage since 1916. Therefore, the railways at the present time are at least 10,500 miles of new lines behind. If it be assumed that this deficiency should be made up during the next three years, we must conclude that during these three years there there should be built 21,000 miles of new railroad.

If, during the last three years, the railways had retired old freight cars and increased the number in service at the same annual rate they did during the preceding ten years, they would have acquired during these three years at least 500,000 freight cars—300,000 for the replacement of cars retired and 200,000 to be added to the number in service. They really acquired only about 250,000, leaving them with a deficiency of at least 250,000 cars. (The deficiency probably is much greater, because not enough cars were available in 1916 to handle the business.)

If this deficiency of freight cars were to be made good during the next three years, the railroads would have to acquire during that time at least 750,000 cars—250,000 to remedy the deficiency, 300,000 to replace cars which should be retired, and 200,000 to provide the normal increase of car supply. The largest number of cars ever built in the country in one year was only about 250,000.

In order to replace old passenger cars at the normal rate, and make the normal increase in the number in service, the railways should acquire about 3,000 passenger cars a year. During the last three years they have acquired only 3,450 cars, leaving an apparent deficiency of 5,550.

But the real deficiency seems to be much larger than this. The increase in passenger business in the ten years between 1906 and 1916 was only 36 per cent, or less than 4 per cent per annum, while the increase during the last three years alone has been about 35 per cent. The results of failure to provide even the normal number of new passenger cars while this unprecedented increase of traffic has been occurring is seen in crowded trains on every railroad. If the present large passenger traffic is to continue, the railways, in order to handle it satisfactorily, should acquire at least 20,000 new passenger cars within the next three years.

In order to have replaced old locomotives that should have been retired, and to have increased the number in service at the same rate as in the preceding ten years, the railways during the last three years should have acquired about 13,500 locomotives. They actually acquired fewer than 7,000, leaving a deficiency of at least 6,500. The number of locomotives which should be built during the next three years in order both to make up for the shortage already incurred and to increase the number in service at the normal rate, is about 20,000. The largest number of locomotives ever built for our railroads in one year was about 6,500, and the capacity of the locomotive plants of the country is only about 7,000 a year.



Snow plow on Chicago, Milwaukee & St. Paul Railway in Rocky Mountains

The foregoing statistics regarding the existing shortage of railroad facilities of certain kinds are merely illustrative of the general situation. The carriers are even farther behind in the matter of steel rails, for example, than of equipment; and it would do little good to provide additional equipment unless there were provided additional tracks, yards, roundhouses, shops, stations, etc., in proportion.

It is extremely conservative to estimate that if, during the next three years, the companies should add twice as much annually to their facilities as they added annually during the ten years ended with 1916, their facilities would be no more than sufficient at the end of 1922 to handle the traffic which the country could give them at that time. Meanwhile, there will be a chronic, and at times acute, shortage of facilities, no matter how well the managements handle the properties.

What do these facts indicate as to the amount of investment which needs to be made in the railways? The average annual investment during the ten years ending with 1916 was almost exactly $500,000,000. Because of advances in wages and in prices of materials, it would now cost at least three-quarters of a billion dollars to provide what five years ago could be provided for a half billion. We have found that to enable the development of the railways to catch up with the development of the country within the next three years, the annual increase in facilities during those three years should be at least twice as great as it was in the ten years ending with 1916. This means that the annual new investment in the railways during the next three years should be at least $1,500,000,000 a year. I wish to emphasize strongly the fact that this estimate is conservative. It is doubtful whether, if the railroads should invest $5,000,000,000 or even $6,000,000,000 of new capital during the next three years, they would catch up with the development of the country.

These facts suggest certain considerations which are of the utmost importance to American business men and the American public. The first is, that in framing and administering the railroad legislation now under consideration, every precaution should be taken to make sure that it will be so drafted and administered as to enable the railway companies to raise very large amounts of new capital.

If this is not done the railway companies will be unable to provide the additional facilities needed; and if the needed facilities are not provided many people within a few years will be condemning private management as a failure and demanding government ownership. The country will not in the long run escape government ownership unless it adopts the measures necessary to enable the railways under private management to raise adequate capital.

What measures are necessary for this purpose? One indispensable measure is to so provide that the railway companies will be allowed to earn enough net operating income to enable them to pay a reasonable return upon the present investment in their properties and also on the new capital which they need to raise. With financial conditions as they are now, any railway company, to sell new bonds and stocks at par, must be able to give reasonable assurance that it will be able to pay at least 5½ per cent on the bonds and 7 per cent on the stock. Good bonds are now selling on a 5¾ per cent basis and good stocks on a basis of 7 per cent or more.

(Continued on page 2)

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For the Good of the Order

By SAUNDERS NORVELL
Chairman of the Board, McKesson & Robbins, Inc., New York

It is a privilege to be able to give the readers of BUSINESS this story based on a memorable experience in the life of a man so thoroughly acquainted with the selling game as Saunders Norvell.

Few, indeed, are the business men who can read Mr. Norvell's narrative without deriving from it some worthwhile idea. For the manufacturer and the wholesaler it contains a valuable lesson in selling and in dealer service; for the retailer it contains not one lesson only, but many lessons, in merchandising and store management.—Editor.

WHEN I was a sales manager I used to spend three months of every year at various times out on the road with our salesmen, getting acquainted with the men, meeting their customers and causing more or less trouble in their territories. When you travel with a man night and day, and often sleep in the same bed with him, you get pretty well acquainted. You learn a good deal about his personal history and he learns something about you. After an acquaintance of this kind neither one of you has any illusions about the other. If you are not right, he knows it. If he is right, you know it.

Let me pass it out as a straight tip that every sales manager should make trips with his salesmen. I think every business should have two sales managers. One sales manager should stay in the house and attend to the correspondence and the house work while the other travels with the salesmen. These two men should alternate in their house and their road work.

When I became the head of a business myself I divided the country into four geographical sections. I put a sales manager in charge of each section. Each of these sales managers had a man traveling in his territory, looking after our salesmen, opening new accounts, posting us on competition and on prices, and especially keeping track of the ability in salesmanship that we had and also that our competitors had. We called these men "sales managers in the saddle." Often these men graduated from this job to "sales managers at a desk," but even the desk sales managers made their trips and kept their selling edge and enthusiasm by close contact with our customers.

A salesman's work falls into two general divisions. One of these divisions is the higher grade of work, that of opening new accounts and introducing new lines—in other words, establishing business. The second division of his work is simply calling and taking orders from those customers he has established. Now when a salesman has unusual ability in creating business it is naturally a shame to have him waste his time simply taking orders.

One class of work is creative. The other class is simply routine. It is also a curious fact that the salesman who has the creative ability often becomes weary of the monotony of the rounds of an "order-taker;" and, on the other hand, a man who is very accurate and careful as an "order-taker" frequently fails completely when it comes to opening new accounts. It has, therefore, always seemed to me that where you find a man who has a genius for building up business it is wrong to waste his genius by having him remain a regular salesman on a regular route. The best results can be obtained from such a man by giving him a larger sphere, and I solved this problem by making him a "sales manager in the saddle." It was his duty to cover the territories of our salesmen; to open new accounts; to recover lost accounts, and to strengthen our salesmen in the business-creating part of their work.

The foregoing is simply the background of my story.

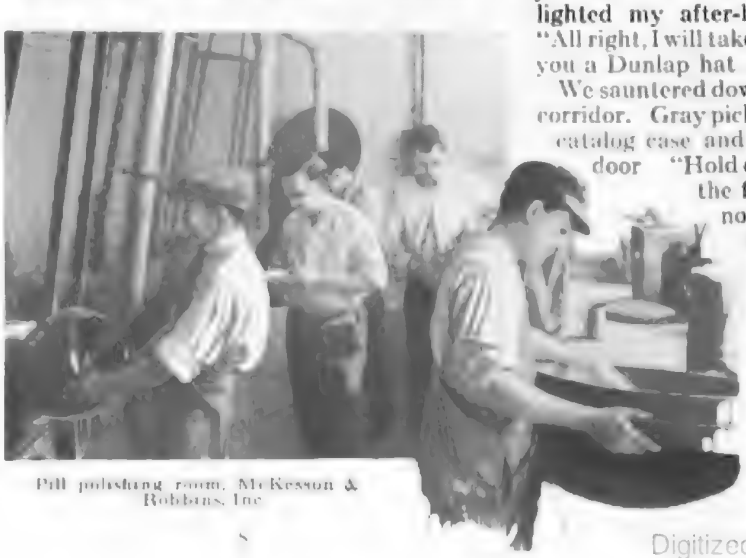
I was a sales manager and I went to a far western city to help one of our men who was one of these salesmen who is too good to be fired, but not good enough to make any one sit up and take notice. This class of salesmen is the most difficult to handle because you never know what to do with them.

I arrived in this western city early in the morning and we had breakfast at the hotel. Our salesman was just full of trouble. I listened to all of his complaints while I ate my ham and eggs. There happened to be a very well-rated merchant in this city to whom we never had sold any goods. He had a location on one of the best streets. I inquired why our salesman never had sold him. He burst into a merry laugh. "Sell him?" said he. "Why, you just ought to try it. He won't even listen to me. He just walks away and leaves me standing at the post."

Then he hesitated, and a bright idea seemed to strike him. "Say," said he, "what is the matter with your selling him? I will bet you a Dunlap hat you can't do it." I had slept little on the train the night before and I had that ragged, "early-morning" feeling. I was not a bit in the humor to tackle a merchant like Brown. Besides, outdoors it was snowing a wet snow, suggestive of damp, cold feet. Then, the coffee at the hotel was not good.

I looked at Gray, our salesman, as he gloated over his proposition, and I hated him with a deep hatred; but what could I do? I had come out as sales manager. I had written Gray many letters telling him how to sell goods. I had written general letters on this subject to all of our salesmen. Nevertheless, the job of a sales manager is to sell, and I could not see any special reason why I should decline Gray's bet. So I said quietly, as I lighted my after-breakfast cigar, "All right, I will take you on. I'll bet you a Dunlap hat I can sell him."

We sauntered down into the hotel corridor. Gray picked up his large catalog case and started for the door. "Hold on," I said. "In the first place, I do not want you with me; I want to try this alone. And, in the second place, I do not want to go in with a catalog case, advertising myself in advance as a salesman and having to



Pill polishing room, McKesson & Robbins, Inc.

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overcome Brown's prejudice just as soon as he sees the grip—not much. This is a job to be undertaken, not with a jimmy, but with empty hands."

Gray and I walked out into the heavy falling snow and from a nearby corner he pointed out Brown's store. It was in the middle of the block one of those deep stores with a narrow front. I told Gray to go and sell some of our customers and I would meet him for luncheon at the hotel.

I walked over to the Brown Hardware Company, opened the door and stepped inside. The store was about one hundred feet deep. On the right hand side was a long line of show cases, extending most of the way back. On the other side was a line of stoves on platforms, and back of them was a conglomeration of house furnishing goods. The store looked dark and forbidding. Nobody was in front. Far in the back I saw a glass office. I walked slowly back to this office possibly seventy-five feet. I glanced over the store on both sides. I hesitated at the door of the office. A man standing at a desk said, "Come in."

I walked inside the office and stood by a small stove. This man, I was sure, was Brown from the description given me by Gray. I looked at him and said nothing. He said, "What can I do for you?" I replied, "I don't know—probably nothing—but I can do a good deal for you." He was chewing the short stub of a cigar. At my answer, he gave me a quick look which was not altogether friendly, but I saw that Brown was no fool.

"Well, who are you?" he inquired.

"That doesn't really make any difference," I answered, "and probably just as a starter I had better not tell you."

His cigar had gone out but he chewed the butt. "Won't you have a fresh cigar?" I remarked, as I took two Corona Coronas out of my pocket. Brown looked at the cigar with an appreciative expression. He hesitated, but took it.

"Won't you have a seat?" he said, as we both lighted up. I sat down beside the stove.

"Well," said he, "what can you do for me?"

"Nothing," I answered, "unless you are in the right frame of mind." I could see that he was wondering what kind of a crank I was, but he was sure that he had a Corona Corona, and it smoked well. We sat in silence for a moment or two and puffed our cigars.

"Well, go to it," he said.

"I was just thinking about you," I answered, as I looked him over in a rather dreamy way. "Well," said I, very quietly and deliberately, "I was just thinking that you are not a good merchant."

That was the critical moment. I glanced at him casually and smiled as I said the words. He was smoking my Corona Corona. He hesitated. Everything depended upon his decision. I smiled gently and looked him straight in the eye.

He said, "All right, if I am not a good merchant maybe you will enlighten me by telling me why."

Then I knew I was over the first hump. At least I had not been thrown out, nor had Brown walked away and left me standing at the post, as he had Gray. As long as you can talk there is hope.

"Well," said I, as I carefully dropped the ashes from the Corona Corona into the coal scuttle, "I will tell you why I think you are not a good merchant if you will promise me one thing."

"What is it?" Brown inquired.

"It is simply that if I do convince you that you are not a good merchant you will admit it, and I will ask you to give me time enough to tell you without any interruptions." It was still snowing. Trade was dull and the head clerk had come from somewhere in the back and was leaning on the counter up in front. Brown poked up the fire in the stove.

"All right," said he, showing some interest, "if you convince me that I am not a good merchant I will admit it."

"Good," said I, "here goes—

"Your store is one hundred feet deep and twenty-five feet wide. Suppose we divide it into four sections of twenty-five feet each. Which section is the most valuable?"



Cashier department, McKesson & Robbins, Inc.

"Why, the section at the front door, of course," said Brown.

"Why is that the most valuable?"

"Because more people come into that section of the store," he answered.

"What percentage of people, may I ask, never get beyond twenty-five feet of your door?" Brown thought a minute and answered, "I should say seventy-five per cent."

"Then," I went on, "the first twenty-five feet of this store are worth at least fifty per cent of your entire rental."

"Yes, I guess that is so," Brown replied.

"And the reason it is worth so much is because it is sales space."

"That is correct," Brown agreed.

"Now, the first thing I noticed, Mr. Brown, when I came in, and the first thing that made me think you are not a good merchant is the fact that you are using this valuable sales space for warehouse room."

"What do you mean by that?" he demanded.

"Why, I mean that instead of using all of that first twenty-five feet for sample boards and selling devices you have shelving clear to your show windows and you have this shelving full of goods. It seems to me you could have warehoused the goods or stored them somewhere else. For instance, look at your show cases in this first twenty-five feet. Instead of being show cases clear to the floor they are show cases only on the counter, and under the counter you have a lot of goods stored in boxes."

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Brown stood up and looked through the glass front of his office at the front of his store. Then he sat down, took a puff or two, and remarked, "Go ahead. Pass me some more bouquets."

Then I asked, "What kind of goods have you in your first show case next to the front door?"

"Fine mechanics' tools"—he answered—"calipers, micrometers, and so forth."

"Well," said I, "do you suppose a man ever bought a micrometer or a caliper because he saw one in a show case? Such things are necessary on certain jobs. When a man has a job he is compelled to have the tools. Now there are other classes of goods that are bought just because they are brought to our attention. They are not necessities. It seems to me that in my selling space, at least within twenty-five feet of the front door, I would as far as possible try to display goods that are not actual necessities—in other words, goods that are bought just because we happen to see them.

"I believe you would sell just as many calipers and micrometers if they were not in the show case at all. In any event, I would not put goods of that class in the best selling space in my store—in other words, in the show case immediately at the front door. You have a lot of goods in your stock that should be given precedence over calipers and micrometers in that space."

Brown looked at me and rolled the Corona Corona around in his mouth.

"Besides that," I continued, "the fine mechanics' tools you show in that show case are not new tools. They are all standard makes and well known to any mechanic who uses them, but back in one of your last show cases I happened to notice a Yankee Automatic Screw Driver that has just been put on the market. Not one mechanic in a hundred has ever seen or heard of that screw driver. He naturally will not call for it, because he does not know of it, and you have buried it in a show case seventy-five feet from your front door. I would suggest that you use your show case at the front door for new goods and novelties not for staple lines."

Brown seemed interested. "It is just a little unusual," he remarked, "to have somebody size up one's store the way you are doing it, and I must admit I am enjoying your analysis. Tell me some more about the way I run this business."

"As I glanced over your show cases and counters I noticed that while you carry certain well-known lines of goods, there is an absolute lack of a supply of the cards, booklets and consumer advertising gotten out by these concerns. They must send you this matter. It costs a great deal of money. They give it away. It will help you very much in selling goods. All you have to do is to distribute such matter among the seventy-five per cent of the people who do not get beyond twenty-five feet of your store door, and it is a simple thing for you to put the name and address of your concern on these pamphlets with a rubber stamp. I wonder what you have done with all this advertising matter," I remarked, as I fixed him with my eye and then casually watched the rings of smoke I blew.



Liquid alboleno department, McKesson & Robbins, Inc.

Brown got up, walked out of the office, started at the front door of his store and walked slowly all the way back, glancing from side to side. Then he took a seat on a high stool opposite me and said nothing.

"Mr. Brown," said I, "I happen to know that you consider yourself a very good buyer. You devote seventy-five per cent of your time to the buying end of your business. Your head clerk, now standing near the front door and waiting on a customer, knows most of your trade. He is the personal friend of most of your customers. While you devote your time to buying goods and getting acquainted with the manufacturers, your head clerk is getting acquainted with all of your customers.

"Now what I want to ask you is, if a man intended to start a business for himself, which would be of the greater immediate value, a large and extensive acquaintance where to buy goods or a personal acquaintance with all the customers of a store like this? In other words, Mr. Brown, if I were to hire a man out of your business today in order to start another store, which would I hire—you or your clerk?"

Brown looked at me and said something under his breath that sounded very much like an expletive that commences with "H," but he controled himself and remarked, "So you think my head clerk is a better man than I am?"

"No," I replied, "I did not say that, but the idea I wished to convey was that your head clerk, by contact with your customers, is getting a more valuable experience than you are."

"Well, how would you correct that?" he asked.

"If I were in your place I would devote most of my time to the selling end of my business, because, according to my theories of merchandising, the selling end is the most important of any business."

"Then you do not believe in the old saying that 'goods well bought are half sold?'"

"No," I replied, "I think that saying is absolutely false. No matter how 'well bought' goods are, they will not sell themselves, while a good salesman, by good selling, can overcome many mistakes in bad buying."

"Well," said Brown, "is there anything else you would like to pass out?"

"Yes," I answered. "It is evident to me that the house furnishing goods part of your business does not pay."

"How do you know?" Brown asked sharply.

"Because I can see from the way the stock is kept that no one pays any attention to it. It is nobody's job."

"Well, what of that?" he snapped.

"If I were you," I quietly answered, "I would either push that department or I would close it out. It is evident to anybody with eyes that you are running a man's store. You have a fine location for women's business, but anybody could see that no one here takes an interest in what women want. If they did, the side of the store back of the stoves would be properly kept up. Now, as a matter of fact, women buy eighty per cent of all the goods purchased in this country. With a store such as yours and in such an excellent location there is no reason why you should not do a very fair and profitable house furnishing goods business."

"What do you suggest?" Brown demanded.

"I suggest that you hire some bright

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Why "Dealer Helps" Go Begging

By ROBERT EMMETT

PUT THIS question to any retailer of your acquaintance and then see if his answer isn't just about as I have quoted it: "What would you rather have, 'dealer helps' or merchandise?"

The answer: "I don't care a continental about the 'helps' unless I can get the merchandise. Get me both 'helps' and merchandise and my business success is certain."

You see, a whole lot of retailers have had about the same kind of experience with "dealer helps" that I have had. We get the "helps" all right, but we are quite frequently lacking in the merchandise that the "helps" are to help us sell. And if we haven't the merchandise, what good are the helps? But, if we have the merchandise, the right kind of "helps" help us a lot.

As a retailer, my criticism of the average "dealer help" plan is in the way it is carried out. The "helps" are cleverly devised. The whole sales plan encompassing them is worked out to perfection. They are presented by talented salesmen thoroughly enthused over the "helps" and the co-operative plan promulgated by the genius who developed the "help" idea. We retailers, having confidence in the merchandise, quickly recognize the helpfulness of the "helps," and we swing into line.

In due course of time we are notified by our advertising department that a large quantity of package enclosures from Helpem & Co. has been received, together with cut-outs, window cards, street car cards, electros, and a considerable variety of other advertising matter. The advertising man wants to know if we are merchandised so that the "helps" can be used to advantage. He asks as to the quantity of Helpem & Co. merchandise we have on hand, and whether it is enough to be worth starting an extensive advertising campaign on. He stresses the fact that he doesn't want to encourage buyers to come to the store for Helpem goods unless the goods are here in sufficient quantity to assure the customers getting what they expect.

We hurriedly consult our order files and discover that three months prior to the date of the advertising man's inquiry, we placed an order with Helpem & Co. for 500 dozen assorted. We find by checking over our goods received that to date we have received a grand total of twenty-five dozen assorted from Helpem & Co. Date of delivery was to have been two months from the date the order was placed. The whole was to be accompanied by a series of "helps" that would make positive sales of the Helpem & Co. goods. We inquire a little further and ascertain that of the twenty-five dozen assorted received from Helpem & Co., all but five dozen have been sold.

Result: We have five dozen pieces of Helpem & Co.'s goods, which, if advertised, would be about enough for three hours' brisk selling.

On consulting our correspondence file we discover some very "peppery" sales letters from Helpem & Co., informing us that their "dealer helps" are to reach us at such and such a time. We are told that if we give these "helps" the right kind of help we can sell gross upon gross of the goods they are to help us sell.



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Cutting and shaping soap, Swift & Co., Chicago

Further along we find our file develops that Helpem & Co. are a little behind on orders, but they will try to complete our shipments in a few weeks. The few weeks have elapsed, a few weeks more on top of them have elapsed, but we haven't the goods.

We're long on "helps" but we're short on goods.

And without the goods the "helps" are more useless, by far, than would be the goods without the "helps." We might sell the goods without the "helps," but we positively cannot sell the goods when all we have are the "helps."

Our Helpem & Co. experience starts us thinking. We keep on and find that we have a large variety of different "helps" from an even score of different manufacturing and jobbing concerns, and that we haven't received enough merchandise from them to pay for the cost of making and mailing the "helps." If we had the goods we could distribute the advertising to advantage. The season is on, the goods should be sold, and our advertising in combination with the "dealer helps" would assure their being sold in double-quick time. But we're helpless.

Too many manufacturers fail to "follow through." They either do not furnish really beneficial "dealer helps," or, when they do furnish them, they fail to keep their manufacturing up to the demand, with the result that the money that went into the "helps" really is wasted. The retailer's customer, who may have been circularized or solicited by "dealer helps" through the mails or by national advertising, is disgusted because she cannot get what the store advertised as having, and the retailer naturally is somewhat irritated because patrons are directed by advertising to his store for certain articles that he cannot deliver because the manufacturer did not hold up his end of the bargain.

I have in mind a personal experience in a store with which I was associated. A concern making a certain kind of collar especially designed for the working man sent a talented representative

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ahead to open up a trade territory. He was loaded down with samples of the "dealer helps" his company was going to furnish. He showed me proofs of advertising that were to be run in a number of Sunday magazines in different territory across the continent. He demonstrated how this advertising would pull for us, because the name of each retailer handling his merchandise was going to appear in that advertising.

The plan was good. It looked like a sure winner. The buyer of men's furnishings was called to my office. The entire plan was explained to him. He joined me in enthusiasm for the idea. Because of the "dealer help" and the advertising he placed a large order for the collars. We agreed to do our part by giving a large window display and tying up to the advertising in our local advertising.

In due time the "helps" arrived. On the Sunday promised, the page ad appeared in colors in the Sunday magazine. The name of our store was given in the ad as the local dealer in those collars.

Couldn't Deliver the Goods

The "helps" did their job and did it well, but the factory or the shipping clerk or someone, somewhere, fell down and fell down hard. When we opened the store for business Monday morning, we had about one-twentieth of our collar order ready to go on sale. The ad pulled well. Many men came in answer to the ad—but we couldn't sell them. We didn't have the goods and they weren't interested in the "helps." We lost count of the number of customers we had to "turn down" because we didn't have the styles illustrated in the ad, because we didn't have the full line of sizes, and because we didn't have enough of certain styles and sizes to anywhere near meet the demand created by the advertising.

That cost us a lot of business—not only the direct business that we lost, but the indirect loss that always comes to a store which advertises something it doesn't have.

That cost the manufacturer a lot of business—because the whole performance disgusted us. The necessary explanation we made to the disappointed customers naturally disgusted them with the manufacturer who attached his name to an advertisement for something he could not make good on.

Incidentally we had no chance to use the great quantity of printed matter that was sent to us to use. The newspaper ads and the newspaper cuts were no good to us, because we couldn't very well afford to advertise unless we had the goods.

The result of this "dealer help" fiasco, so far as we were concerned, was the practical closing up of this account for several months. In fact, we never have been very strong for it since, and yet it is a commodity which could be made into one of the noteworthy successes in the men's furnishing field.

Another one of the several disappointing "dealer help" experiences that came to my attention had to do with a very extensively advertised line of women's knit underwear. The manufacturing concern, which probably spent at least $100,000 in advance publicity and regular publicity, fell down so hard when it came to filling orders that many merchants who had been thoroughly sold on the line and on the "dealer help" idea became so disgusted with the whole plan that they have refused ever since to buy anything from that manufacturer. And the underwear was an extraordinarily good line, too.

One could continue to recite example after example of this nature—but what's the use? We all have had such experiences. We now are getting so we shy every time "dealer help" is mentioned to us. Rather, we tell the advance man for the "dealer help" house that when the goods are in we'll take care of the advertising ourselves, preferring not to depend upon something that we're not sure we're going to get.

It is my theory that no manufacturer ever is safe in overselling his product—and that is what he is prone to do if he plays the "dealer help" string too consistently. "Dealer helps" do help. We're glad to get them. We like to use them, and we would use them a great deal more if only we were assured of having the merchandise that the "helps" are to help us sell.

A Tip to the Manufacturer

If I were going to sell merchandise on the "dealer help" theory, I would sell only over a territory small enough to give me every assurance of filling every order and of having the merchandise in my customer's store when the "dealer help" started working for me and for my dealer. I would consider it much more important to do a small job well than to do a big job poorly, and I would see that every branch of my business from factory to sales department knew just exactly what each department was doing to make my "helps" really helpful.

If I promised a merchant a certain service, I would see that that promise was lived up to. If I felt that I couldn't make good on my promises to ten accounts, I would cut the accounts down to five or four or three or two—down to a minimum of which I could take the proper care. Above all things, I would not let my enthusiasm for my sales plan run away from my capacity to fill orders.

A cursory investigation of the wholesale and manufacturing district will reveal a large number of wholesalers and manufacturers who do not believe in "dealer helps." Some may tell you the dealer doesn't want them; that he won't use them if you furnish them; that they have tried them once and found they didn't pay—a whole lot of such comment is easy to hear. But if one carries the investigation further, one very likely will find that the usual experience of the wholesaler or manufacturer has been about as outlined in the foregoing.

His retail customers suffered once or twice because he broke down at his end, and those experiences have convinced his customers that the "dealer help" idea isn't good, simply because it isn't properly handled. One or two such experiences are a large sufficiency for any retailer, and he naturally doesn't warm up to any proposition that savors too much of "help" and not enough of goods.

Look to the Production End

If I were a manufacturer I would pretty well know what I could expect from my production department in the way of order-filling before I sent my men out selling great quantities because of "dealer help" inducements. And when I knew what I could expect in production, I would limit my selling to such an extent that I could give every one of my customers absolute assurance that they would get what they bought; and that if my "dealer helps" and national advertising brought them in so much business that they had to re-order frequently, I could take care of those re-orders promptly.

In the retail business we make it a rule not to advertise goods unless they are in the store. How different is the policy of a lot of manufacturers who in the past two or three years have been promising much in the advertising and delivering little in reality. Such tactics hurt the advertiser and they hurt advertising.

It takes more than intelligently-developed "dealer helps" to offset the hard feelings that are engendered in the retailer when he suffers three or four non-filled order experiences akin to those I have referred to. It takes a whole lot of national advertising, salesmanship and quality to overcome his prejudice against the manufacturer who promises a lot and delivers less than half a lot.

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Selling the Army Surplus

By HOMER JOSEPH DODGE

HE WHO does not remember the country town and cross-roads general emporiums whose signs said they sold "everything from wooden toothpicks to lumber wagons" has a short memory. And he who travels about in rural communities doubtless may find many such institutions still operating under the careful management of some substantial merchant whose cronies call him "Squire" and who ministers to the wants of the countryside with the same kindly care exercised by the rural physician.

But that the government of the United States should ever enter this field—and on an extensive chain store scale—would have seemed chimerically socialistic before the war. And yet one of the most interesting activities now being conducted by Uncle Sam is the operation of twenty-five army retail stores at which the vast surplus of supplies accumulated in expectation of two or three years of war is being distributed to the public. And in addition to enabling the War Department to dispose of its surplus, the project is dealing a heavy blow at the cost of living because the great variety of goods offered the public gives opportunity for material savings.

In the past, army surplus usually has been regarded as legitimate prey for favorites of government officials—that is, so far as many countries and governments are concerned—it being assumed that the money spent for army supplies was charged off and that the goods were not regarded as real assets. Any junk dealers or contractors, with lobbyist friends, who expected the American government to follow this course have been woefully disappointed, for in many cases army surplus has been sold since the armistice at prices above the market at which it was purchased.

In fact, such good salesmanship has been shown by the officers in charge of disposing of this army surplus that on the whole about 90 per cent of the original purchase price has been realized on the goods sold so far. Whether this figure will be lower or higher when the books are finally closed must now be a matter of conjecture, as there remains millions of dollars' worth of goods to be disposed of.

The chain of army retail stores opened September 25. The experience was as new for the public as for the government. The merchant and the customer know what a brisk business man is the ordinary jobber to the trade. In this instance, the man occupying that position is a zone supply officer. Usually he is an army officer well up in the scale of military rank, and his office and his business are conducted along quite military lines. He sends out no calendars in colors adorned with pictures of pretty girls, but his stationery bears upon it the insignia of the greatest republic in the world.

The great central depots, in which were accumulated the huge supplies of goods of every description preparatory to issuance to the great military camps and cantonments and to shipment overseas, take the place, in this system, of the wholesalers' or jobbers' warehouses. From these central supply depots the army surplus is sent out to the retail stores situated in territory naturally tributary.

The man who operates one of these army retail stores is far from being a typical storekeeper; he is an army officer—usually a major or a colonel. For assistants they have captains and lieutenants.



Underwood & Underwood
Washington, D. C.

Joe, the bookkeeper, gets down to work with a little trace of sleep still lingering about the corners of his eyes and says "Morning, sir," to the proprietor or manager of the big store with which the average American is familiar. Joe, the doughboy,—or perhaps he is a snappy second lieutenant,—gets down much earlier with the echo of the morning trumpet in his ears and salutes his superior officer at the beginning of the day in the army retail stores.

All through these stores—and some of them are very big ones—officers and soldiers predominate. The orders were to use the army personnel where it was adequate; and so for floorwalkers we find neatly-uniformed captains or lieutenants, and about the floors, offices and warerooms, shipping rooms and platforms there are lieutenants, sergeants, corporals and privates. So far as possible, enlisted men who have had previous training in mercantile establishments are selected for the stores. In some cities where the soldiers were too few or too inexperienced, civilians have been hired both for office work and for work at the sales counters and in the shipping rooms, but the policy has been to use the uniformed men so far as possible.

The stores have been established in twenty-five cities where the War Department felt the best results would be obtained, with respect both to disposing of the surplus and to accommodating the general public. Location of the stores has been dictated by the best business judgment. Where the government has owned buildings or had them under lease at suitable points for retail stores, these structures have been utilized, but where no such property was already available, it has been acquired in the open market.

We have compared the old-time country general store with the army retail stores. What makes them comparable is not location, for the army retail stores are all in big cities, but the wide variety of goods offered for sale. Nowadays, in the city, unless you go to a department store, you go to specialty stores for special commodities. But the army retail store carries a range of stock very much like that of the country store. You will find no luxuries in these stores, any more than you will at the cross-roads emporium. In the army there

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are no luxuries; therefore there is no surplus of luxuries to sell.

The list of stock is a long one, but a few selections will illustrate the wide range and the relatively low prices:

New cloth top arctics, a pair	$1.60
Film albums, each	.75
Blankets, wool, each	5.00
Brooms, stable, each	.75
Candles, a pound	.20
Folding chairs, each	.75
Drawers, wool, winter, a pair	1.00
Drawers, summer, a pair	.25
Gloves, knit, a pair	.20
Hatchets, each	1.00
Knives, table, a dozen	.48
Lariats, each	.65
Overalls, a pair	2.50
Raincoats, each	5.25
Socks, wool, a pair	.25
Gas masks, each	1.00
Bacon, a case	2.75
Corned beef, a can	.23
Baked beans, a can	.01
Lemon drops, a pound	.25
Flour, a sack	4.00
Bull Durham smoking tobacco, a package	.04
Flashlights, each	.60
Wagon jacks, each	3.50

The list goes on almost endlessly and includes a great range of food; includes in fact, almost all the kinds of rations which, in this war and in this army, were the most various ever known to the soldier. Clothing of every kind used by the soldier and many implements also are available.

Most of the goods are sold over the counters in the twenty-five stores, but the management of the chain has also inaugurated a system of sales by parcels post which is bringing a great amount of trade.

The over-the-counter price and the parcels post price are the same. To order by mail from a store, you must be within its district. Mail orders must be addressed to the store direct and not to the postmaster or to any other official. All mail orders must be accompanied by cash, postal money order or certified check. Postage stamps and uncertified checks will not be accepted. All goods bought over the counter must be paid for in cash.

Still another method of distribution has been arranged by the army retail stores. In view of the increasing popularity of the community store or community buying center, especially since municipalities have made such special efforts to lower the cost of living, the War Department has put into effect a system whereby municipalities and community buying organizations may buy in bulk.

Bulk orders may be placed with the retail store in the district in which the municipality, municipal selling agency or community buying association is situated. Goods will be delivered by freight, f. o. b. destination. A discount of 10 per cent on the entire bill of goods ordered will be allowed the purchaser to cover overhead expenses entailed in re-distributing the commodities to the members of the municipalities or buying organizations.

The representative of the purchaser in bulk who places the order is required to give the officer in charge of the store to which the order is sent due assurance that the goods acquired will be delivered to ultimate consumers at the prices fixed for individual sales in the stores.

The bulk sales plan does not apply to renovated goods. In almost every instance these wares are as good as new, but it was decided that the ultimate consumer should personally examine them before buying.

Some commodities listed on the general inventory are not available at all of the retail stores, but have been concentrated in certain central supply depots. For the War Department to send some of these goods to all the stores would be impracticable. The allotment of goods to the army retail stores from the general supply depots was based on the population of the several districts.

For the week ending October 25, sales in the twenty-five stores amounted to $1,754,123.83, and from the date of the opening of the chain on September 25 total sales had amounted to $4,823,502.50. Of course, the War Department is seeking no profit on these sales, and that accounts in large measure for the low prices. Another factor is the low cost of operation, due to careful management. The cost of operation so far has ranged from $1\frac{2}{3}$ per cent on the list price of some articles to 12 per cent on others.

The army retail stores were opened just when the government was trying to reduce the cost of living, so the project was a popular one. On the opening day at the Chicago store 50,000 people were waiting in the streets in the neighborhood for the chance to buy. At some of the stores the openings were celebrated. At San Antonio, for instance, the commander of the Southern Department of the Army, the mayor of San Antonio and other public officials conducted special exercises, and the army post band was in attendance.

The first day's business at the New York store brought in 12,000 customers, whose purchases aggregated $21,000 over the counter and $1,900 by mail.

The average purchase at most of the stores totals $3; and, in view of the fact that so many of the articles offered are priced at but a few cents, the War Department is well satisfied with this distribution.

Cities in which the army retail stores have been established are the following: Atlanta, Boston, Baltimore, Charleston, Chicago, Columbus, Denver, Detroit, El Paso; Jeffersonville, Indiana; Los Angeles, New Orleans; Newport News, Virginia; New York, Omaha, Philadelphia, Pittsburgh; Portland, Oregon; San Antonio, San Francisco, Seattle, St. Louis, St. Paul and Washington, D. C.

The original plan provides for operating the stores ninety days, which will keep them open until Christmas. If the goods are not all sold by that time it is likely that the management will close the less successful stores and operate the others until they no longer pay.



Sale of the army's Winesap apples, Times Square, New York

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With Bible and Safety Razors

By W. LIVINGSTON LARNED

IMAGINE, if you will, a ramshackle thatched house, set deep in almost primeval jungle. Ten miles in any direction, and you will come upon the impenetrable wilderness of the African West Coast country. Nearer to the established ports, however, there are centers of more advanced activity, with a teeming and picturesque tide of pith-helmeted humanity.

It is a sweltering afternoon, and the caravan that comes from an adjacent village deposits its white men at the door of the thatched house—dripping, gasping, weary from their journey.

Soon there are iced drinks, for the packet boat came at dawn, and palm-leaf fans are waving; and the Little Missionary, in his white suit, is making things comfortable for his honored guests.

Inside of that house, and out, there are comforts and luxuries that seem strange in this locality. The Little Missionary is very proud of his equipment. He has a patent carpet sweeper—think of it! And a really wonderful space-saving stove, and the best pair of scissors in the community, and the good old safety razor, and a great many other articles. The headman of a visiting tribe once saw the Little Missionary shaving with the "American face-scraper," and offered a hundred dollars' worth of ivory for it. He explained that he wanted it for his fifth wife, who was inclined to whiskers.

The visitors are interested in the Little Missionary's carpet sweeper. Where did it come from? Where could one be obtained? Was there any way of getting a duplicate? And that stove—was one like it to be had within the present century?

Whereupon the Little Missionary smiles and takes his callers on a sort of spiritual flight to America. He describes the city of buildings that is Montgomery Ward and Company. He tells how a letter is written and merchandise ordered, and it arrives at your door, safe-guarded all the many miles. Moreover, you can buy with perfect safety. The goods will be just as represented.

The visitors plead with the Little Missionary to put in an order. It is a sizable order, too, with payment in advance. He understands just how to write.

Here, then, we have a peculiar and unusual business situation. Prestige is being built thousands of miles from the source of supply. Orders are being created by an entirely unofficial person, who rather enjoys introducing American ways and American goods.

For Montgomery Ward and Company has discovered that in every foreign missionary there is a prospective sales agent, without actually adding him to the pay roll. This is the way it operates:

Before they start for their posts, or during visits home, these men and women place orders for certain homely articles that are shipped across seas. And Montgomery Ward and Company has encouraged their patronage. When a missionary writes to this house, or calls in person, he is shown extra attention. Things are made as pleasant for him as possible. They will pack other goods, purchased elsewhere, in one big case, or one Montgomery Ward and Company consignment. They give him catalogs and printed matter. His trade is constantly encouraged. He may be going to China or Japan or Liberia or South America or the West Coast of Africa—anywhere on the top or underside of this great terrestrial globe; it matters not. The Little Missionary becomes an important business friend.

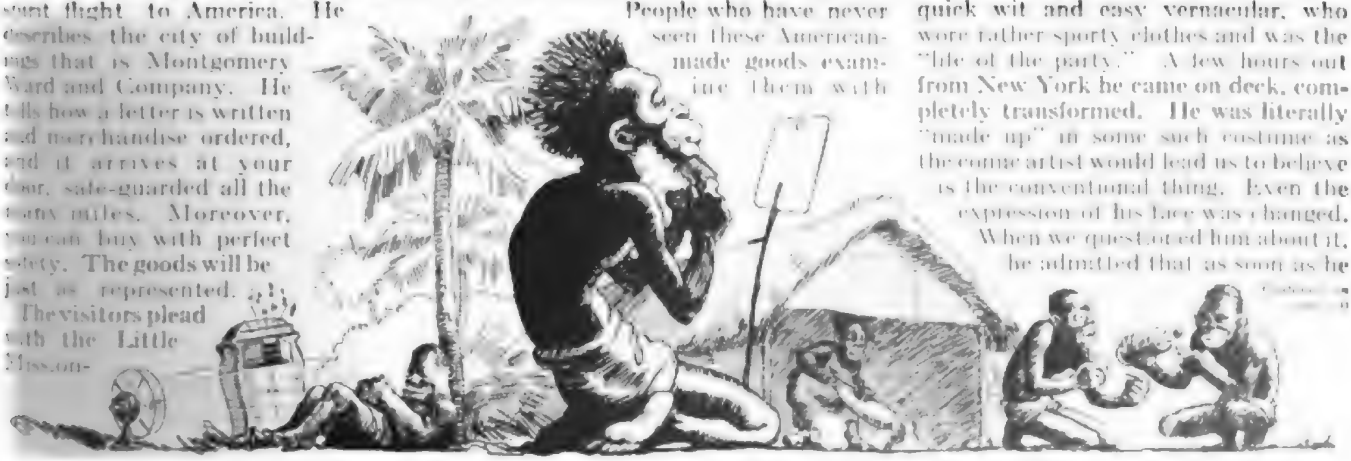
Collected data shows that when the missionary once reaches his destination, every article bought is a living advertisement for Montgomery Ward and Company. His house is visited with great regularity by everyone who amounts to anything in his locality—and for many adjacent miles around. People who have never seen these American-made goods examine them with admiring wonderment. They are frankly envious. They want to duplicate them. And thus Montgomery Ward and Company has built up a surprisingly large foreign trade, due in no small measure to the unconscious help of the Little Missionary in the pongee suit.

For a while the sales managers could not quite make out the source of these export orders. What inspired them? They had no one in that field. Investigation slowly materialized the truth. The concern served a great number of missionaries to foreign countries—and, in the aggregate, they represent a sizable body of men, constantly coming and going, even during the period of the war.

In his native environment the missionary is a man of considerable importance. He is looked upon as a useful personage and has official recognition. Every stratum of humanity has occasion, at some time or other, to go to his house, fraternize with him and curry his favor. He keeps "open house" to his territory. Nothing that is his is hidden from the populace. Therefore his home becomes a sort of modest sample room, where goods are neatly displayed.

Which brings up another point. The missionary is not, as the comic papers would have us think, a sad-eyed unprogressive in a long black frock coat and a high silk hat. Many funny stories are told, authoritatively, by the way, of the missionary who is a sort of inoffensive Dr. Jekyll and Mr. Hyde.

Abroad, where servants are cheap—a cent or two a day—he has a large retinue of servants and a commodious house. On a steamer bound for these shores, not long since, we once scraped acquaintance with a gentleman of quick wit and easy vernacular, who wore rather sporty clothes and was the "life of the party." A few hours out from New York he came on deck, completely transformed. He was literally "made up" in some such costume as the comic artist would lead us to believe is the conventional thing. Even the expression of his face was changed. When we questioned him about it, he admitted that as soon as he



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The Store That Came Back

By ROBERT M. McCABE

THIS is the story of a department store which for ten years suffered from a serious, devitalizing attack of business anemia, and then, starting on the road to health, became a most lusty, red-corpuscled, thriving institution, developing in two years from a business volume of less than one and one-half millions to a volume which in 1919 will come very near touching the four-million mark.

THE PATIENT—The Duffy-Powers store, Rochester, New York.

THE DOCTOR—John Mench.

THE MEDICINE—Hard work, long hours, new ideas, high ideals, fair play to those both inside and outside the store, co-operation, youth, vigor, ambition, vision, organization.

To get a thorough appreciation of the situation in Rochester and its bearing on the Duffy-Powers store, one must understand the location of the patient and the conditions that had to be overcome to effect the cure.

Rochester is a city of the substantial, conservative type. Its business district has had to overcome that serious handicap of "East Side" and "West Side." The line of demarcation is very like the equator—an imaginary line—but one that many have found it hard to cross. A river flows directly through Rochester, but Rochester's main street crosses the river. Buildings bridge it, business life flows across the river just as if it weren't there; but the river makes a Rochester "East Side" and a Rochester "West Side."

Previously the "East Side" had all the best of it. Probably 85 per cent of the retail business was done east of the river. Rochester folks had the "East Side" habit. The bigger stores were there. There were literally swarms of specialty shops on the "East Side."

The Duffy-Powers store is situated about four blocks west of Rochester's equator—the Genesee River—which makes its location about six blocks from what once was the retail business heart of Rochester.

One block eastward from the Duffy-Powers store is the "Four Corners"—a transfer point and an entering point for a large percentage of all street cars and interurban cars entering Rochester. Passengers on these street cars coming in from the south, north and west can remain on the cars going eastward on Main Street, or, by leaving the cars and walking one block west, go to the Duffy-Powers store.

The "Four Corners" in Rochester resembles the loop in Chicago. It is one of the most congested traffic sections found in any city anywhere near Rochester's size. Passengers coming in from the east, or from some of the northern sections of the city, can remain on the street cars and go to the "Four Corners," or can transfer, going directly down to the Duffy-Powers store; or they can get off right in the heart of the "East Side."

The greater majority had the habit of getting off and staying on the "East Side."

Here, then, were four problems:

First—Trade that was in the habit of shopping on the "East Side" must be attracted to the "West Side."

Second—Trade that had stayed on the street cars, passing by the "Four Corners" within one block of the Duffy-Powers store, must be taught to leave their cars and walk one block west.

Third—Trade that lived on the street car lines that lead directly to the "East Side" business center must be educated to stay on their cars until they either reached the "Four Corners" or the Duffy-Powers store.

Fourth—The automobile trade, both "East Side" and "West Side," must be educated to drive either across that imaginary line and go on down to Duffy-Powers, or to turn at the "Four Corners" and go west one block to the Duffy-Powers store.

John Mench's first job was to find the solution of those four problems—and he did.

Before coming to the Duffy-Powers store on December 8, 1917, Mr. Mench obtained from the Bureau of Statistics at Washington full data on Rochester. This data convinced him that with Rochester's large and constantly growing territory, with its great industrial plants, with its steadily increasing population, there was room in Rochester for a store like the Duffy-Powers store.

He took a lesson from the large chain stores about the country and spent hours on the street corners checking off the pedestrians, the street car traffic, counting those who traded in the "East Side" stores, estimating those who stayed on the cars and went east from the "Four Corners" and those who didn't stay on, surveying the centers of population as applied to residence sections both east and west of the river.

With those facts in mind he decided that a second Chinese wall could be built across the river where the "East Side" and the "West Side" is established and that the store on the west side would prosper magnificently with only the West Side trade.

He took charge of the patient.

His first diagnosis was that the infusion needed was volume. So the Duffy-Powers store started out for volume.

It takes two things to get volume for a store:

First, lower prices.

Second, capacity to offer the public the commodities they are most interested in—the



"Situated about six blocks from what once was the retail business heart of Rochester"

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things most used in every-day life.

How was it going to be possible to undersell other Rochester stores? Cut down the costs of doing business. Eliminate all possible business waste. Trim the overhead in every possible direction. Let service—as service is understood—suffer a little: lower prices would overcome it. So the eliminating process began. This was in war time, when a lot of stores were curtailing their service to some extent, but not much in Rochester. Mr. Mench took charge December 8, 1917. He started eliminating at once, about on this schedule:

Elimination No. 1—December 8—Discontinued all regular delivery schedules, cutting down the delivery force from a crew of eleven cars and five wagons to an active force of seven cars. All free "specials" were discontinued.

Elimination No. 2—December 12—Began charging for all alterations on women's garments.

Elimination No. 3—December 17—Discontinued sending any merchandise on approval.

Elimination No. 4—December 17—Discontinued the grocery where service was given and opened a self-serve grocery (more of this later).

Elimination No. 5—December 31—Discontinued discounts to all but employees of the store.

Elimination No. 6—March 4, 1918—Discontinued an "economy basement" where clerks were employed and service given; putting in its stead a self-serve basement, where dry goods, clothing, garments, shoes, etc., were sold.

All tending towards the accomplishment of the first one of the two things necessary to reduce cost of doing business—"lowering the overhead," and so the Duffy-Powers Company came out with the slogan "We Sell It for Less," and made good.

The self-serve grocery, opened on the first day of the second week of Mr. Mench's management, took care of the second angle of the question, offering commodities wanted for every day use, and, incidentally, materially affected the first angle—cutting down the cost of doing business.

The self-serve grocery was opened without any service of any kind. The advertising slogan most used was "Self-Service Means that You are Doing for Yourself What You Have Been Paying Others to Do for You." The public immediately got the idea.

They came into the grocery store, they picked up market baskets, they assembled their own groceries, they either carried them home, or paid 10 cents to have them delivered—and they came in such crowds that on the



This day of seasonable goods and specials in the self-serve grocery

opening day the self-serve grocery was obliged to close at 3 o'clock in the afternoon, because stocks were practically exhausted, and the crowd was so large that no more could get in.

The patient was beginning to show decided signs of rejuvenation.

Without service of any kind, the self-serve grocery, in its first year, did a volume of business very closely approximating $500,000. In its second year, 1919, every indication is that its volume will exceed $700,000, and it will be among the most profitable departments in the store.

On the evening of the second day of Mr. Mench's management, the officers and directors of the store gave a "get acquainted" dinner, to which every member of the store's organization was invited. They were told who Mr. Mench was and what he had come for. In his turn he told them not what *he* was going to do, but what he *wanted them to help him do.* His few words convinced them that he was a believer in co-operation. He asked them to give their aid to him—he didn't come only to give his aid to them.

The first December was too much occupied with getting the public directly interested to permit of any intensive work inside the store; but in January plans were originated for enthusing all employees, especially the salespeople, and a very elaborate bonus plan was worked out, to be used in February. No sale was advertised for February. No one outside the store's family was told about a February sale, but the store staff was told, and told and told again. The promised co-operation—the reward for extra effort—was beginning to materialize.

The bonus plan was developed in this fashion:

Each department was to be rewarded in cash for its increases in sales. Each member of each department was to be given a cash award every time that department showed a larger percentage in gain than other departments. These gains were based upon the business done the previous year.

Red, white and blue were adopted as the colors for the bonus system, and three different sets of buttons labeled "Duffy-Powers Reward of Merit" were prepared. These buttons each had a fixed financial value—the blue buttons 25 cents each, the red buttons 15 cents each, and the white buttons 10 cents each. To each employee of the department that showed the largest increase in its sales over the previous year, a blue button was awarded. The salespeople in the department showing second largest increase were awarded red buttons, and the employees of the department showing the third largest gains were awarded white buttons.

These buttons were to be retained by their winners until the end of February, when they could be cashed in. This method had a double purpose: Visitors in the store, on seeing the buttons being worn, naturally would ask the salespeople what they meant. The answer would prompt suggestions for more sales, and if the patron chanced to be a regular customer or a friend of the salesperson, she would show her friendship by making extra purchases.

In developing this plan, many other prizes were awarded. The department which showed the largest percentage of gain in sales for the month was given a cash award of $50, to be divided among the salespeople. The department showing the second largest gain was given a $25 prize; the one showing the third largest was given $15. Large handsome red, white and blue banners were swung from the departments winning each day, and these also served to attract interest of customers and to arouse questions. That all helped.

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General view of merchandise display in the self-serve basement, Duffy-Powers Company

As this sale was strictly a within-the-store sale, it was advertised to the employees of the store, just as a sale would ordinarily be advertised to the general public. The night before it started all members of the staff were addressed by Mr. Mench, and the plan was outlined. That evening, when employees reached their homes, they found awaiting them special delivery letters explaining in full the details of the February bonus scheme. When they returned to the store for work in the morning the heads of their departments talked to them about the February plan. Every possible angle to "get the sale across" was used.

"A sale dies from within" was the axiom of the management, and this sale wasn't allowed to suffer that fate. Letter after letter, all mailed under first class postage, bombarded the homes of the employees. Many more letters were sent by special delivery. "Blue Buttons" were talked and talked and talked.

There could be only one result to such an intensive campaign. Every salesperson in the store became just as enthusiastic as any management could ask. All wanted to win "Blue Buttons," but it seemed also that all wanted more to win new customers for the store—and they did.

The result of this sale was an increase of 66 per cent in the store's business in February—and all the public knew about it was what the employees of the store told them. The store's advertisements appeared daily, as they always do, but no reference was made anywhere to the February sale.

So appreciative were the employees of the prizes distributed in February and so gratifying were the results, that another plan for prize distribution along somewhat similar lines was developed for March. A checking of the calendar showed that there were twenty-six business days in March. Accordingly, a scheme was worked out to capitalize each date in that month which fell on a business day.

A prize of $1 was offered for the department showing the largest percentage of gain on March 1. A prize of $2 for the department showing the largest gain on March 2 was offered, and so on through the month. On March 15 a prize of $15 was given. On March 25 a prize of $25 was given, on March 30 a prize of $30 was given. The size of the prize was governed by the date.

It was suggested in the letters mailed to the homes of Duffy-Powers employees that the extent of the accumulative prizes would be governed by the activities all through the month. A department might win on the first, on the tenth, on the fifteenth and on the twenty-fifth, receiving a total of $51. The result was that every department's staff did their utmost to win on as many days as possible. The returns on this March bonus plan were most gratifying, the store showing a gain for March of 67 per cent.

It began to be evident to the Duffy-Powers management that some better plan for distributing bonuses should be devised, with the result that from July, 1918, onward all prizes were awarded on the "quota basis." That is, instead of awards being made on business increases over the previous year, quotas would be set up for each department and each salesperson in each department—these quotas being based upon the business that reasonably could be expected.

A department in which six salespeople were employed might be given a quota of $3,600 a week—meaning that each person in that department had to sell $100 a day for the six days. Rochester is a "Saturday town" and business is about twice as large on Saturdays as on any other day. This quota would be made to fit the conditions. Sales of $75 a day might be required for five days and the difference between the $600 and the $375, or $225, must be made on Saturday.

The success of these bonus plans all depended upon their fairness. The management was very careful that no unreasonable quotas should be required, acting on the theory that "a prize is no good unless someone wins it."

Bonus plans used on several different months show their influence in the percentage of gains listed below:

January	59%
February	66%
March	67%
April	56%
May	64%
June	72%
July	109%
August	127%
September	123%
October	75%
November	140%
December	80%

(Continued on page 40)

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Our Boss—the Housewife

By ARTHUR SCHEELE

Manager, Tebbetts & Garland, The "Stop and Shop" Store, Chicago

ALTHOUGH it is true that much of the business of the "Stop and Shop" Store comes from the wealthy or well-to-do, nevertheless a large and constantly-increasing patronage comes from a class of buyers who find it necessary to obtain full value for the money they spend.

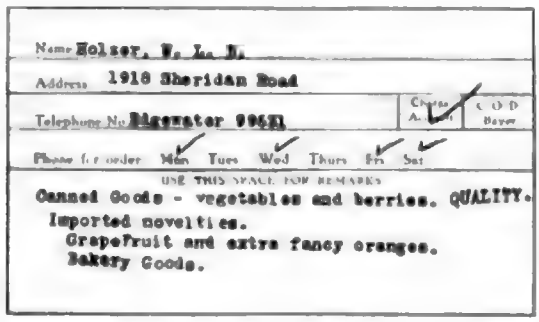
We buy the very best merchandise we can get and sell it at a fair profit—never at a loss. Our ever-increasing business with the average food buyer—the person who cannot accept less than full value for his money—has proved that we are on the right track; that cut prices are not the only attractions for the thrifty.

Our sales—and we have many of them—never depend for their drawing power upon slashing prices. In fact, some of our most successful sales have been made when the price of the merchandise was not lowered a fraction of a cent.

Volume is obtained by convincing the buying public that the merchandise offered is worth more than the money asked. There are two ways to do this: by lowering prices to a point that absolutely strangles doubt as to the bargain in the purchase; and by proving that the high quality overshadows the price.

We prefer the latter method for two reasons: first, because it permits us to deal in quality merchandise; second, because it never suggests cheapness. It does not do to let your trade entertain a notion that you have to clean out cheap goods at cut prices every so often.

There is one point I ought to make clear before leaving this subject, however. Because I frequently use the expression "quality merchandise," I do not wish to convey the impression that we handle only the most expensive goods. If we did we could not possibly hold our big trade with the thrifty souls of the middle class.


Name Holser, W. L. D.
Address 1918 Sheridan Road
Telephone No Edgewater 9961
Charge / C.O.D. / Buyer
Phone for order Mon ✓ Tues ✓ Wed ✓ Thurs Fri ✓ Sat ✓
USE THIS SPACE FOR REMARKS
Canned Goods - vegetables and berries. QUALITY.
Imported novelties.
Grapefruit and extra fancy oranges.
Bakery Goods.

Card on which customer's buying habits are recorded

To illustrate: We have an extra fancy quality of canned peach that sells for 75 cents a can. We have peaches that sell for 50 cents a can—and these, too, are high-grade goods. There is as much value in the 50-cent can for 50 cents as there is in the 75-cent can for 75 cents. But we have no 25-cent grade, because we could not get real quality to sell at that price, and we do not believe that goods of inferior quality are much of a bargain at any price.

Just figure our stock as running good, better, best, with values figured so close that we cannot afford slashed-price sales, and you will understand why we prefer to run "educational" rather than cut-price sales.

But the first question the average merchant asks is just how I manage such sales; how I am able to convince the bargain-hunting public that my non-reduced goods are a bargain.

The answer is, "by intelligent salesmanship." First, you must have smart, well-educated, painstaking salespeople. And then you must educate them to know their goods.

Preparing the sales force for these educational sales is the principal job of our "pep" talks. We teach, and learn, by giving our salespeople sales demonstrations. Not long ago we invited our entire sales force to our dining room for an evening dinner. After dinner we had five or six sales demonstrations.

How?

First we selected two or three of the shrewdest among us to represent the women to whom we were to sell, as this particular evening was devoted to preparing for a personal visit by our salespeople to the homes of our customers.

Those of us who were selected as the prospective buyers prepared our questions, requests and demands so as to afford the salesperson soliciting us an opportunity to demonstrate how he or she would meet difficult situations and also educate the buyer regarding the special merchandise under consideration.

As each salesperson made his sales talk, met the objections, answered the questions, and generally gave the service expected of an intelligent salesman, the rest of the gathering criticized methods and offered suggestions.

Canned fruits and vegetables, sweet spiced pickles and preserves were the subjects discussed; and I believe each and every one of us knew from twice to five times as much about the particular goods under consideration when we left for home as we did before we entered the little demonstration. Every salesperson there had a thorough

TRIP SHEET #2

THE TEBBETTS & GARLAND STORE
16-18 NO. MICHIGAN AVENUE
CHICAGO

No. Boxes Taken 51 — Date 10-23— 1919
No. Boxes Returned ____ — Trip Edgewater
Car #7 — Driver Johnson — Time Left 2⁰⁵ P.M. — No Stops 13 — Time Returned ____

	NAME	ADDRESS	No. Boxes	No. Pkgs.	Meat	Liquor	Charge	Paid	C. O. D.	Returned Merchandise	Left at Door	REMARKS
1	Byrne	5621 Kenmore	M	21	✓			✓				2⁵⁵ P.M.
2	Salomon	1449 Chase	J	3			✓					3¹⁵
3	Hill	5917 Sheridan	P	6					2⁴⁵	#1469		3²⁵
4	Morland	6109 Sheridan	Cash	1				✓				3²⁰
	[illegible]	[illegible]	S	4			✓					3⁴⁸

Trip sheet, which enables store to keep in touch with drivers

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knowledge of the values, qualities, advantages and even histories of the various foods studied, as well as a carefully worked out plan of selling them.

Samples of these foods were put up in specially prepared glass jars that fitted neatly into the case the visiting salesman was to carry to the homes of his customers.

The next Monday our campaign began. The salespeople were taken to their customers' homes, after having made appointments, in automobiles. Then began the work of educating the customer in the foods offered and of getting her order for a winter's supply.

And these salespeople were well qualified to present their arguments, too, as every department head, as well as myself, had criticised their manner of approach and sales talk before they were permitted to leave the store.

Our "pep" talks are really confidential little chats in which we go over the various items that we expect to feature during the day and the week. For instance: Suppose I have an opportunity to buy a large shipment of really high-grade canned peas and corn. I call all our salespeople in to a "pep" talk. I have the goods in dishes for them to sample. I ask what they think of them, and how much they think they could sell of them. I try, in other words, to let them get "on the inside" of the business and have a finger in the buying as well as the selling, so far as that is practical.



Mr. Schoyle himself samples all bottled and canned goods before ordering

We discuss the merits of the merchandise and perhaps plan how we might have a special sale on it. But first of all we try to determine just what demand there is for the kind of food offered.

The various salespeople are required to keep close tab on the likes and dislikes of their particular customers and to know to what extent they demand a given article. As soon as a new account is opened it is assigned to one of our salespeople. A card containing the customer's name is filed away in a card index system that is really the heart of our business.

The salesperson to whom an account is assigned writes the customer, explaining that the account has been turned over to him or her for personal attention, and asking if there is any special service that is desired in connection with purchases. A card is also enclosed on which the customer is requested to designate the time at which the salesperson may telephone for her order. In nine cases out of ten customers consider having us telephone for their order every day at a given time a real convenience, and it certainly is a great business getter for us.

Such information as the customer's reply contains is put on the card in the index. Now it is strictly "up to" the salesperson who has the account. He is expected to keep a close tab on that customer and catalogue her likes and dislikes. He is supposed to record whether she is a quality buyer, a quantity buyer or a price buyer. He is expected to record her special requirements regarding service and delivery.

He is expected to know, for instance, if she has a particular sweet tooth for jam or jelly; if she relishes pickles, preserves and the like; if she wants the finest fresh fruit regardless of cost, or if she will buy heavily when a favorable opportunity affords. He is required to learn, in one way or another, whether she would be offended by the suggestion of a bargain.

I am confident that there is not a better-posted sales force in the country than the one you will find in the "Stop and Shop" Store. For example, when we engage a person for our telephone soliciting department, that person, before being passed on as eligible to talk to a customer over the phone, must first go through each department in the house, even to filling orders and assembling them. He must know our business thoroughly, from A to Z. He must be familiar with every piece of merchandise we carry. He must know the prices in each department, and everything concerning our methods of packing, shipping and delivering goods.

Order something from a store, almost any store. Wait until you think the order should be delivered, then telephone and ask just when you will get it. Chances are you cannot learn whether it has been delivered, or whether it will be delivered in an hour, two hours, or during the day at all.

We do not believe that is intelligent service. Suppose you order something from our store, and that you are on the part of the route that would bring your order to your door, say at 5:30 p. m. Suppose you suddenly discover that instead of serving dinner at 7:30 you must serve it at 6. And suppose, too, that in the order coming from our store are certain things necessary to that dinner—a roast, for example.

You can pick up your telephone and find out from our store just where your order is within fifteen minutes' travel at the outside—and when it will reach your door. Then, if you wish, you can have it reach you at 4 instead of 5:30—even though it has been out of the store an hour or more before you called. Or, suppose you are sending some little food gift to a friend, and after the goods leave our store you suddenly remember that you forgot to request that the bill be not enclosed with the goods, or that you gave us your own address instead of that of your friend. In that case you can remedy your mistake any time within fifteen or twenty minutes before the goods are delivered at your friend's or your own door.

The backbone of this system is a delivery sheet, a copy of which the driver carries and a copy of which stays in the shipping department. On this sheet are listed the orders the driver is carrying, according to distance from the store. Thus the nearest point of delivery is listed on the first line, the next on the second line, and so on down the list.

The drivers know, and we know, about how long it takes to make each delivery and cover the distance between one point and the next. So the time the goods should ordinarily be delivered is entered beside each order. Thus, the driver calls at A's, which is the first point of delivery, at 2:35 p. m.; at B's, which is next, at 2:48; at C's at 2:55; at D's at 3:08, and so on down to R's, where the driver is due, let us say, at 5:30.

If anything should happen so that the driver cannot keep his schedule, he promptly phones the office, informing the shipping department how late he is, and the schedule is re-timed to suit. As soon as he gets off his schedule fifteen minutes, he is required to report for re-timing.

So when a call comes in from Mrs. J., for instance, asking when the goods

(Continued on page 28)

Houses in the Window

By FRANK E. MURDOCK

A Tremendous Effort to Help Solve the Housing Problem

Gimbel Brothers Offer at Sensational Prices 1,000 Beautiful HOMES!



WHEN it comes to sizing up a situation and taking advantage of an opportunity on a big scale, hand the palm to Gimbel Brothers, of New York.

On a Sunday morning in October, thousands of New Yorkers, after reading of the latest developments in the housing situation and the latest concerted action by thrifty landlords, found much more congenial reading in a full-page advertisement of Gimbel Brothers' store.

"A Tremendous Effort to Help Solve the Housing Problem," ran the headline. "Gimbel Brothers Offer at Sensational Prices 1,000 Beautiful Homes, Enabling People to Buy and Own Their Homes at Prices Based on an Enormous Merchandising Operation."

Interesting, isn't it? Let's read another paragraph:

"For many months Gimbel Brothers have been studying the housing problem. Day after day, during our extensive furniture-selling events, people have revealed to us the growing scarcity of suitable places to live. And this store, having been the leading spirit of the community in the furnishing of homes, felt it a bounden duty to help Gimbel patrons and others in the finding of homes."

There you have the idea: "You'd like to own some of this furniture, but you have no house to move it into. Very well; we'll not only provide the furniture, but we'll provide the house." If that isn't sales' promotion, we don't know what is.

Moreover, these are not portable, ready-cut or knock-down houses, but standardized, fabricated, built-up and permanent houses— and you can have one ready to move into six weeks after you place your order.

You own a lot, let us say, in Jamaica, Long Island. You march past the dresses, lingerie, coats and shoes in Gimbel Brothers' store and head straight for the bungalow section. A salesman shows you four designs of bungalows. There is the Homestead Model, four rooms and bath, at $2,310; the Palace Model, five rooms and bath, $2,650; the Castle Model, also five rooms and bath, $2,700, and the Mansion Model, six rooms and bath, $2,820. These prices include free delivery within 100 miles of New York City.

The houses are sold complete in every detail—electric light wiring and lighting fixtures; furnace and heating pipes and radiators; toilet complete with wash bowl, bathtub and com mode, with the hot and cold water supply and drain pipes; door knobs and all hardware; also the roofing material, which may be either shingle or asphaltum, and a stucco or painted frame exterior. The doors are shipped ready for hanging, and the window frames are already fitted with sashes and weights.

All you need, in fact, is a place to put the house after it arrives. You choose the Palace Model, let us say—five rooms and bath, at $2,650. You pay one-fourth down; a sight draft for the remaining three-fourths will accompany the bill of lading.

When you order your house you receive plans, specifications and blue prints. Within two weeks you should have your foundation ready. By that time the material, all put together in sections, is delivered at your freight station. By that time, too, you have obtained estimates of the cost of erecting. As to the fairness of the prices for this work you can judge for yourself, for you have been supplied with estimates of the labor required, not only for the necessary carpenter work, but also for the plumbing and the wiring. This extra labor is reduced to a minimum, for the pipes come cut to length and threaded at one end, and the floor, roof and wall sections are ready to be bolted together.

Once the foundation is ready, four weeks is ample time for putting the house together. The time is divided in detail, four days being allowed for erecting the frame. The plumbing can be done by one plumber in seven days or two plumbers in three and one-half days. That the allowance of four weeks is generous is proved by the fact that the first thirty houses bought under this plan and put up in the New York district required no more than an average of seven and one-half days from date of delivery to date of occupancy.

The houses are produced by the Minter Homes Corporation, which constructed a city of 1,728 dwellings at Nitro, West Virginia, for the federal government. The plant is situated at Huntington, West Virginia. It is now turning out completed structures at the rate of sixty a day.

Soon after the campaign was launched in the New York papers, Gimbel Brothers sent circular letters to the names on a selected list, and followed the first letter up with a second—two weeks later. The second letter was accompanied by a questionnaire to draw from the "prospect" a statement of the kind of house he would like to get.

At present the buyer is limited in choice to four types, all bungalows, but Gimbel Brothers and the Minter Homes Corporation plan to add twenty-five styles, based on the information obtained from the questionnaires.

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City of Applied "Humanics"

By HARVEY W. PATTON

ONE of the few cities in the United States that has been free from industrial unrest is Flint, Michigan, a strictly manufacturing town of approximately 100,000 population. There are several contributing factors to this happy condition in these days of labor difficulties. Foremost among these factors is the pull-together spirit, the spirit of universal co-operation.

They do things differently in Flint, too—another reason why there are no factions pulling at cross purposes. Employers long ago realized that they must have "humanics" as well as mechanics if amicable relations are to be maintained between themselves and their employees, and in Flint they have worked out this "humanics" idea to the 'nth degree.

There are about 30,000 workers in the factories of Flint, and each of the larger plants has a "Department of Personal Service," which is a new name for Welfare Department. One never hears the term "welfare work" in a Flint factory, probably because it suggests charity or sociology, but the Departments of Personal Service in Flint are doing welfare work on a much broader scale than in most cities where the old term is used. Human engineering, in fact, has been worked out to a science in Flint, and a contented city is the result.

Let us look at a few of the things they do differently in Flint.

During the war Flint's factories were on a practically 100 per cent war work basis. Everything was running at top speed, with good wages and plenty of overtime. The sudden end of the war threatened to upset living conditions for a time, but the manufacturers acted quickly. A mass meeting of manufacturers, merchants and landlords was called. Walter P. Chrysler, who was then president of the Buick Motor Company, which employs 17,000 or 18,000 persons, was spokesman for the manufacturers.

Mr. Chrysler went right to the point. He said the factories would not close down, provided there was co-operation, but that work would be slowed up until the plants could be gotten back on peace-time production.

"We are going to keep everybody at work," Mr. Chrysler told the merchants and landlords, "and we want you to do your share until we can get our factories back to peace work. What we want you to do is to reduce the cost of all provisions and house rents 10 per cent for three months."

There wasn't any cajoling or pleading on the part of the manufacturers. It was a straight out-and-out business proposition. Rents and provisions were admittedly high, but conditions would only become worse if the factories closed, so the merchants and landlords agreed to the reduction, and violations of the agreement were rare. Thus a calamity was averted by handling a tense situation differently.

The Departments of Personal Service in Flint factories are doing a lot of work that doesn't appear on the surface. First of all, they select employees, using caution in order to get the men whom they think will fit into their organizations. Then they maintain an active interest in the employees. Employees are free to go to the Departments of Personal Service when they have a real or an imaginary grievance, or when they are in any kind of trouble, domestic, legal, or otherwise.

If an employee believes he isn't getting a square deal from his landlord, he goes to the department, and if his complaint against his landlord is just, the department will take up the fight and see that he gets none the worst of it. These controversies are invariably settled in the department offices by convincing landlords they are wrong when they attempt unfair methods.

Flint can now be classed as a fairly large city; but in spite of this it has only one daily newspaper, the Flint Daily Journal, and it doesn't print strike news from other cities because the publishers believe such articles would have a psychological effect on Flint workers.

"The only strike news we have published in seven years concerned the steel strike and the bituminous coal strike," said M. F. Bradley, the managing editor. "We could not ignore these controversies, because they affected Flint as they did the whole nation. If the workers of Flint were reading every day of strikes in other cities and employers acceding to the strikers' demands, they would become restless. 'They struck in Detroit and got what they were after; why not do the same in Flint?' the men would argue; and there's a probable beginning of a walk-out. It's the psychology of the thing."

This attitude of the only newspaper in the city probably is another reason why Flint is free from labor difficulties.

Flint is not a non-union town by any means, but the factories are all run on the open shop principle, and when a man applies for work he isn't asked whether he is a member of a union. If he is a radical or an agitator, it isn't long before he is found out, and he doesn't last long. He isn't fired for being an agitator, however. The factories usually can find some other reason for dispensing with his services. A radical or an agitator is invariably negligent or careless in his work.

The building trades are quite well organized in Flint, and their unions are recognized in this line of work. Representatives of the I. W. W. come into town occasionally, but they are utterly ignored.

Like factories in many other cities,



Just a few of the dwellings built by the General Motors Company for its workers

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Section of the Buick factory, Flint, Michigan, at noon

those of Flint used to be annoyed by garnishments against the wages of employees, but the Departments of Personal Service have now reduced them to almost nil. Instead of a man having his wages tied up or being obliged to go to court over a debt, the matter is straightened out between the creditor and employee by the department. Many other petty affairs that threaten to lead to court are adjusted in the same way.

F. W. Boswell, head of the Department of Personal Service at the Buick plant, tells of one of the young men employed in the factory who seemed to be constantly annoyed by persons to whom he owed small sums. He was a valuable employee, but his mind was on his debts, not on his work.

"We did a little investigating and found that the young man was driving an expensive automobile," said Mr. Boswell. "It was the car that was keeping him in debt. We proved to him that he could not afford to keep the car and offered to help him if he would give it up. He agreed, and we took over his debts—about $600—and he is now paying them out of his wages. We actually became this young man's guardian.

"This case is cited only to illustrate what we are doing," continued Mr. Boswell. "We all realize that when an employee is worried or annoyed by anything, his mind is not on his work, and it is our aim to remove the trouble. Peace of mind and content mean better production."

Still another factor in the industrial peace and content of Flint workers lies in an inter-factory mutual benefit association, the first organization of its kind in the world. Of the 40,000 workers in Flint, something like 25,000 are enrolled in the association, and membership isn't compulsory.

This organization is known as the Flint Vehicle Factories Mutual Benefit Association and has been in operation fifteen years. It pays sick, death and accident benefits to its members. During the Spanish influenza epidemic a year ago it helped thousands of its members. During the month of November, 1918, alone it expended $20,000 more than its receipts for that month in assisting its members. An outgrowth of this organization is the Vehicle Club, which has a commodious building in the heart of the city. This club is for factory workers exclusively, and its building contains bowling alleys, reading rooms, a gymnasium and other attractions. The dues are only 10 cents a week.

Flint, like other American cities, was hit by a lack of sufficient homes for its workers, and during the war the Civic Builders' Association was organized to buy a tract of land and erect 1,000 modern dwellings in the north end of the city. When the United States entered the war, work on the project was necessarily stopped. But last spring the General Motors Company, which owns the Buick and some other Flint plants, took over the whole job and is now rushing the homes to completion. Barring unforeseen contingencies, all the houses will be completed by the end of January. And the General Motors Company did not start work on them until last May!

These dwellings are modest, but attractive, and will be up-to-date in every respect. The tract on which they are being erected is known as Civic Heights. A grove of twenty-five acres on the property has been reserved as a public park. The streets are being boulevarded and paved, and there is street car service through the property.

These homes are being sold to workers in General Motors Company plants on contract at a trifle above cost. The men are paying for them out of their wages, the monthly payments amounting to about what they would pay elsewhere for rent. Several thousand other new homes are being erected by individuals and real estate concerns.

The General Motors Company also has a savings plan for its workers whereby the company will match every dollar an employee saves. Thus, if a worker deposits $100 in a year with the corporation, the latter will put up another $100. This, of course, is to encourage its employees to be thrifty and at the same time to remain in its service. An employee can pay in only 10 per cent of his wages, and in no case can he pay in more than $300 in any one year. Participation in the plan is limited to wage-earners.

The corporation fixed its savings fund on a five-year basis; but if an employee voluntarily leaves or is dismissed after one year he can withdraw all he has put in plus 6 per cent interest and one-fifth of what the corporation set aside for him for the five-year period, and so on for the second or third year. Those who continue saving for the five-year period will profit by those who withdraw in one or two years, as they will participate in the money that was set aside by the corporation for the man who goes in for five years and withdraws in one or two years. The money a man would have received, had he remained five years, is already in the fund, and should he withdraw in a year or two, the amount in excess of what he actually put in himself plus the corporation's

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Old Shoes and Printers' Ink

By CHARLES E. MASON

WHEN the newspapers quoted Julius Rosenwald one day late last summer as saying that he hadn't taken a pair of shoes out of stock for more than two years, a lot of people snickered. A lot of others did some intensive thinking. And at least one man—Jay H. Skinner, of Louisville, Kentucky—saw in Mr. Rosenwald's statement material for first-class advertising copy.

For a long time Mr. Skinner was employed in the advertising department of one of the Louisville newspapers. Then he went into the shoe repairing business—for other people. He severed this connection, but again went into the shoe repairing business—this time for Jay H. Skinner.

Skinner knew better than to wait until he was all ready to repair shoes before he started advertising. While workmen were still remodeling the building he was to occupy, and other workmen were installing machinery, Skinner tooted his shoe horn. His first advertisement carried his picture and the statement that "My friend, Mr. Cusick, made this picture for me." Skinner explained that he wanted Cusick to make the picture so he could put it in the papers "in hopes some of my friends would see it and be interested in knowing that I had made a change in my business."

When Skinner's new Shoe Service Shop was ready to open, did Skinner tell the public in a six-inch single-column ad? He did not. He took a half page for his story—and omitted nothing. In big type at the top of the half page was this announcement: "WANTED—500 Pairs of Old Shoes for Our Opening Tomorrow." Down in the middle of the ad was a picture of a pile of old shoes and under the picture was the caption, "We Want 500 Pairs That Look Like the Above." And judging from the picture, no shoes are so far gone but Skinner can make them whole.

But what revealed Skinner's genius for cashing in on an opportunity was still farther down in the ad. A three-column box was broken up into panels, each a column wide. At the head of each panel was the name of a prominent business man, and under each name was a statement of that man's views on the high cost of shoes and the need of conserving shoe leather. Following is the copy used:

JULIUS ROSENWALD

Julius Rosenwald, president of Sears, Roebuck & Co., owns a shoe factory, but hasn't taken a pair of shoes out of stock for more than two years. "I will wait until they come down in price before buying more shoes. Meantime I am having new soles put on my old shoes as fast as they wear out," he said today at his home in Highland Park.

J. OGDEN ARMOUR

J. Ogden Armour, of Armour & Co., says he purchased his first pair of shoes in three or four years last week. "The repair man has kept my footwear in good shape. I never like to buy when prices are high."

BRITTON I. BUDD

Britton I. Budd, president of the Chicago Elevated Lines, has been having his old shoes made over since this country entered the war. "It was to conserve leather at first, then because prices are so high," he said today, in explanation.

The inference, of course, is obvious: these men are made of no better clay than you or I; if Julius Rosenwald and J. Ogden Armour and Britton I. Budd can afford to toddle around in half-soled shoes, why can't we?

Skinner's masterpiece was yet to come. Thousands of people had learned about the Shoe Service Shop, but the business was still new when Louisville was tied up by a street car strike. The men had walked out on short notice, and for fourteen days the people of Louisville walked. The unusual feature of the strike was the fact that few people knew what it was all about. Only two hours before the men walked out, their leaders had announced that all grievances had been settled.

With a view to gaining the good will of the public, the Louisville Street Railway Company bought advertising space and disclaimed responsibility for the strike. The advertisement was of the formal kind favored by corporations—black border, lots of white space, dignified type and simple display.

Next day the car men replied with an equally formal announcement, placing the blame on the railway company.

Because of the universal interest in the strike, both advertisements were widely read. The car men had "passed the buck" back to the railway company, and the footsore public eagerly scanned the newspapers on the following day for the railway company's reply. Ah, here it is—the same black border, the same white space, the same dignified type, the same formal display.

But for once the good people of Louisville were fooled, and for at least once they got a good laugh out of the street railway strike. Here is what they read:

PUBLIC NOTICE

An Absolute Denial

Because of the fact that I have just opened the Shoe Service Shop at 330 West Jefferson Street, for the repairing of shoes, and further because I have on several occasions in the public press advocated "More Walking" on the part of the public, I have been wrongfully and maliciously accused of being responsible for the present strike of street car motormen and conductors.

It is rumored that I caused the strike so that the entire population of the city would be forced to walk, thereby wearing out their shoes so that I could repair them.

This I absolutely deny—I am in no way responsible for this strike—I was not consulted before it took place by either the workmen concerned or officials of the Street Railway Company.

I admit that I have publicly expressed my preference for walking (on the part of others), but when I did so I supposed it would be understood that it was to be in moderation and not a prolonged "hike."

Of course, while the strike lasts, walking will continue to be a disagreeable necessity on the part of most of us. Shoes are bound to wear out, and I will appreciate it if you will bring them to the Shoe Service Shop for repairs.

As to my causing this strike, all rumors to that effect are false, and the union officials or street railway officials will bear me out in this statement.

Yours for Less Walking,
J. H. SKINNER,
President Shoe Service Shop
330 W. Jefferson St.

Does this kind of advertising pay? Ask Skinner, and he'll point to a long battery of busy machines, manned by expert workmen, and to almost endless rows of old shoes waiting to be repaired. And, if you're a particular friend of Skinner, he can show you a prosperous bank account—an account which suggests that if he wanted to he could have his shoes half-soled every day, or even buy a pair of new ones—not the best ones, of course, but a pair that Julius Rosenwald would be mighty proud to wear.

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Meyer Talks Through His Hats

By MAXWELL DROKE

WHEN Fred Meyer opened a men's furnishings shop over on Madison street, Chicago, the Wise Ones looked a little wiser than was their usual wont, and gravely shook their heads. "Another clothing store!" they sighed. "Why, he'll go broke as sure as the world!"

But Fred Meyer had no intention of starting just "another clothing store." The first thing he did was to put in a stock of well-known hats, shirts, clothing, and men's apparel. Then he emphasized the fact that he was handling these lines by adopting a slogan, "Fred Meyer—Nationally Advertised Men's Wear." He uses this slogan in a design on his show windows; he uses it on his letterheads and in his advertisements; he features it, in short, in every possible way.



Blotter carrying Fred Meyer's message to his neighbors

"I figured that manufacturers who spend hundreds of thousands of dollars a year for publicity must be better known than I could expect to be with my little shop," Mr. Meyer explains; "and when I came to that conclusion, it was only natural that I should follow it out and try to find some way of cashing in on the advertising expenditures of the big fellows.

"Business men—the type of men I wanted to reach—are rather inclined to distrust such little shops as mine. With them, the big store stands for quality merchandise. It is mighty hard to convince them that the small store may have merchandise of the same quality, and at the same time render a much more personal service to the buyer.

"I know dealers who have been trying for years to 'get over' that idea. And they haven't succeeded to any marked degree. The trouble with these merchants is that they are trying to 'go it alone.' They haven't yet come to realize that 'John Jones, High-class Gents' Furnishings', isn't nearly as strong an argument as, 'John Jones, Sales Agent for Stetson Hats.'

"I have found by experience that I can fix up a smashing good window display on hats, for instance, and big business men will give it only passing consideration. But just let me add a card stating that I am presenting a fall and winter showing of *Stetson* hats. And the very type of customers I want to reach will pause and ponder; many of them buy. I don't have to stir up their interest in Stetson hats. The manufacturer has already done that. And they realize that a Stetson hat is a Stetson hat, whether it is sold in a gold-trimmed, mahogany-fixture store on the boulevard or in a little shop around the corner. And that is why these men make their purchases here without hesitation."

But Fred Meyer wasn't satisfied with the number of men who stopped to look at the nationally-advertised articles featured in his windows, and subsequently drifted in to purchase. Madison street is rather a busy thoroughfare. And at best only a small percentage of the passing pedestrians could be attracted by the window display.

One evening, as Meyer watched the crowd of business men emerging from a nearby office building, he had an idea. "Those men are my logical customers," the merchant said to himself. "If I could go to them and tell my story; if I could let them know that I am selling only well-known, reliable merchandise at fair prices and rendering an unusual personal service, for good measure, I'd soon have them coming to me for their furnishing needs."

That was the start. A few days later every man who maintained an office in the Advertising Building found in his morning mail an envelope containing a blotter from Fred Meyer. It was rather a simple bit of advertising matter, featuring a picture of the office building, linked with a photograph of the Meyer store.

"The store that's just a few steps from your office," was the copy angle. Some of Meyer's nationally advertised lines were also featured.

The plan worked. The number of customers increased. And the significant fact was that they continued to come. After the first visit, they somehow fell into the habit of trading regularly at the little shop. For one thing, they liked the Meyer service. Meyer saw to it that every customer got just a little more consideration than he could reasonably expect.

Next month was another blotter. But this time two office buildings were featured. After that the monthly blotter became a permanent institution with Meyer. Frequently the blotter is accompanied by a booklet or folder furnished by some leading manufacturer. The Meyer mailing list is now made up of the names of tenants in eight great office buildings, all within a radius of a block of the store. And the business of "the little shop" is steadily growing.

The average retailer in a big city is prone to believe that he must direct his advertising to all prospective customers in his city. Meyer has abandoned this policy and has selected for his selling territory the business blocks in his immediate neighborhood. He is cashing in on the neighborhood idea, and is adopting every means possible to let his neighbors know his store is close to their offices; that it is the logical place for them to buy, and that he can supply them the same articles of apparel they are in the habit of wearing.

Even the Wise Ones admit that Meyer has scored a success.

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All Mann Products
are made under our roof

The Mann Factory

SINCE 1848, we have been growing gradually, until today we occupy every inch of space in our eight story factory building, 21 to 27 North Fifth Street, Philadelphia. In this one plant we have the following complete manufacturing departments:

Blank Book Bindery
Loose Leaf Bindery
Lithographing Department
Printing Department
Engraving and Printing-from-Steel Department
Copying Book Bindery with our own Paper Mills at Lambertville, N. J.

Each of the above is a complete plant in itself. Each process is started and completed in our own factory.

This assures a uniform, superior quality of work, impossible to obtain if each process were done in a different shop.

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving, Office Stationery and Supplies

Many banks purchase all their office supplies and equipment from us. All Mann products are always of the finest quality

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway

Where Do They Go From Here?

(*Continued from page 7*)

The bonded debt of most of our railroad companies already is relatively too large, and therefore the new railway legislation should be framed and administered upon the principle that most railroad financing should for some years be done with stock.

The railway companies will not be able to sell bonds on a 5½ per cent basis and stock on a 7 per cent basis unless the new legislation is such as to enable them to earn an average return of at least 6 per cent upon their combined book cost of road and equipment, or upon a valuation of their properties—which I have no doubt would, in the cases of most railways, equal or exceed either their net capitalization or their book cost of road and equipment.

There is strong opposition in some quarters to regulation which would enable the companies as a whole to earn an average of at least 6 per cent upon their present capitalization or upon a fair valuation. It is a notable fact which business men especially should not overlook, that this opposition comes almost entirely from persons who are advocating government ownership and the management of the roads under some such scheme as the Plumb plan. They will continue to attack the present capitalization and investment accounts of the railways as watered, and to oppose letting the companies earn a return adequate to enable them to raise sufficient capital, because they are opposed to private ownership and management and therefore do not want private management to succeed. But those who favor private ownership and management must want private management to succeed. Therefore they should exert themselves to secure legislation under which it can succeed.

Whether the book cost of road and equipment as a whole is watered or not, the facts show that in the five years 1906 to 1910, when the average return earned upon the book cost of road and equipment was 5.41 per cent, the annual investment made in the railways was increasing; while in the five years from 1911 to 1915, when it averaged only 4.56 per cent, the investment made annually rapidly declined.

In 1910 the railways earned 5.73 per cent upon the book cost of road and equipment, and during the next year the investment made in them was $808,000,000. In 1915 the return earned had dropped to a little over 4 per cent, and the next year the investment made had dropped to less than $300,000,000. The facts show that in the railway, as in every other industry, the amount of new investment made is dependent upon the amount of return earned; and as the business men of the country are desirous that, in their own interest, a large additional investment shall be made in the railroads, they should favor regulation which will enable them to earn an average return of at least 6 per cent.

In order to enable the railways to earn an adequate net return, it is certain that a substantial advance of freight rates will have to be made. It necessarily follows that business men should favor an equitable general advance. How much the advance will need to be will depend not only upon how much the margin between earnings and expenses must be increased but on what changes in operating expenses will take place. It is generally assumed, and I believe correctly, that, after the railways have been back in the hands of their owners for a time, substantial reductions in operating expenses will be made. But this will depend largely upon whether there are further increases in the prices of materials and supplies and in the wages of labor.

Now the railway employees, after having received advances in wages under government operation amounting to more than $1,000,000,000 a year, are demanding further advances which the director-general of railroads has estimated at $800,000,000 a year. The leaders of the labor unions are threatening a strike unless these advances are made before government operation is terminated. If the advances demanded are not made before government operation is terminated, they will be strongly insisted upon after private operation is resumed.

Legislation Needed

In the absence of legislation for the peaceable settlement of controversies between the railways and their employees, the pressing of these demands is certain to result in strikes, and probably in strikes that will tie up all the railroads of the country. It is very desirable, therefore, that there should be legislation for the settlement of railway labor controversies: first, equitably to settle disputes arising between the railways and their employees; and, secondly, to prevent interruptions of transportation.

The Senate Committee on Interstate Commerce has framed a provision under which controversies arising between the railways and their employees would

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have to be submitted to boards of adjustment composed of equal numbers of representatives of the companies and of the employees. If these boards failed to reach agreements, the matters in dispute would have to be submitted to arbitration. Strikes and lockouts would be made unlawful. The leaders of the labor organizations oppose such legislation upon the ground that it would subject railway employees to "involuntary servitude." But it would not prevent any individual railway employee from quitting work at any time he wished. It would merely prevent concerted action, or the inciting of concerted action, for the purpose of interrupting transportation.

It certainly does not seem unreasonable to contend that means can be provided for equitably and peaceably settling disputes regarding wages or any other matter, and that therefore strikes and lockouts on railways should be prohibited. If, however, such legislation is passed, strong resistance may be offered to its enforcement. Business men and the public should prepare themselves to meet the resistance squarely and to back the government in exerting whatever force may be necessary to overcome it.

The Railroads' Handicap

There is evidently a general expectation that after the railways are returned to private operation there will soon be a restoration of the service, both in quality and amount, which was rendered before government operation was adopted. This expectation cannot possibly be realized, simply because, as has already been shown, the railroads have fallen at least three years, and probably more, behind the development of the country. You cannot put a quart in a pint bottle; and, until their facilities are largely increased, it will be impossible for the railways, under even the most efficient management, to render as good service as before the war.

The most that can be hoped is that the companies will be able to raise and invest more capital within the next few years than ever before in any equal time; that their large expenditures will contribute to the general prosperity; that as these expenditures progress the service rendered will steadily improve and become more nearly adequate; and that, finally, in perhaps three or four years, the relationship between the capacity of the railways and the demands made upon them will become normal.

Protectograph
Check Writer



Your Balance To-day Is—?

You never know, you never can know, until the last check comes in and is cancelled. Many a man says "I never had a check raised"—and then some day a check long-outstanding turns up with the amount "boosted" from $5 or $10 to as many hundreds or thousands. It takes *only one* raised check to overdraw the average bank account.

The Protectograph Check Writer writes and protects the amount in dollars and cents—(in words not figures) exact to the penny, in two vivid colors—a complete word to each stroke of the handle. See that every check is written and protected with the Protectograph Check Writer *before* you sign it—the only sure and safe way.

Protectograph Check Writer, $45—$50—$75. Nine other models in various sizes and prices. Special PROTOD Chemical Fibre checks and drafts Registered like U. S. Bank Notes, Forgery-proof, furnished to owners of Todd machines.

Users of the Todd Protectograph System are insured by the Todd Forgery Policy, upon which Todd pays the premium.

Do you think *your* checks are safe? If you do, or do not, or if you are not quite sure, just return this coupon and get the facts about check raising. This mystery book, written in State Prison by a celebrated forger, is for responsible business men only, so be sure to enclose your business letterhead with the coupon.

TODD PROTECTOGRAPH CO.
(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices. Sales and Service Branches in 100 cities throughout the World.

1179 University Avenue, Rochester, N. Y.

***"Scratcher"* The Forger**
His Book
(Written in State Prison)

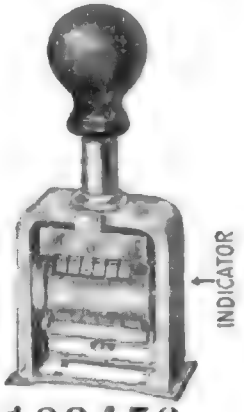
FREE, please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name _____
(enclose your business card or letterhead)

TODD PROTECTOGRAPH CO., 1179 University Ave., Rochester, N. Y.

BM-1-20

"IT'S VISIBLE"
AMERICAN MODEL 41



123456
Impression of Figures

CONSECUTIVE—DUPLICATES—REPEATS

Steel Throughout. *The Machine With the Guarantee.*

DEALERS EVERYWHERE

AMERICAN
NUMBERING MACHINE CO.
220-226 Shepherd Ave., Brooklyn, N. Y.
New Catalogue on Request.

Mr. O.K. says—Use "O.K." Washburne's Paper Fasteners
Use Sanitary "O.K." Erasers
Get a Ries "O.K." Letter Opener



MR. BUSINESS MAN:

Speed up the work in your office by using the Wonderful Ries "O. K." Letter Opener, then everyone in your employ can begin work earlier in the day.

Our Electric Ries "O. K." Letter Opener will open one hundred letters in one minute; the Hand machine will open 40 letters per minute.

Hair's breadth only, instantaneously, clipped from each envelope—*Cannot damage contents.*

Guaranteed for five years—will last a lifetime—sent on approval.

Washburne's "O. K." Paper Fasteners—The Clip with Bull-dog Grip.

The Sanitary "O. K." Erasers—Just the thing for particular people.

All Stationers

Write us for literature with prices.

MADE BY
THE O.K. MANUFACTURING CO.
SYRACUSE, N.Y., U.S.A.

With Bible and Safety Razors

(Continued from page 15)

reached home soil and reported to his headquarters or his little home town, he was compelled to "dress the part." "They would not think I was a real, live missionary if I didn't do this," he declared, laughingly.

The missionary is often a keen business man, conversant with many important problems of manufacture and distribution. The territory he covers naturally is quite wide and is always increasing in scope. He has the advantage of knowing the language of the country in which he labors, the customs and the peculiarities of the residents.

We do not wish to suggest that the missionary has gone into any sort of business partnership with any American firm. As hinted at, it is a quite unconscious, if practical, propaganda of good will. For people see these things that he has in his own home and want to know where and how they may be secured.

Inquiry was made of virtually every large New York department store, in the matter of building export business. As surprising as it may seem, not 1 per cent of these stores are now issuing catalogs in even the Spanish language. At one time the Macy store issued foreign-language catalogs of certain lines, with concentration on the Latin-American countries; but a rather surprising thing took place, which prompted the house to discontinue the printing and distribution of these books.

A household in South Africa would receive a catalog and have no occasion to refer to it for perhaps a year. A Spanish catalog in the Latin-American country would grow dusty with age. Then suddenly orders would come in from these ancient and out-of-date catalogs. Prices had changed, merchandise had changed, many of the lines were obsolete, and no end of dissatisfaction was engendered.

But Montgomery Ward and Company, of Chicago, has determined to take full advantage of this great outside market, plus the marked friendship that is shown to American-made goods since the war.

The firm is now issuing an impressive book which is an abridged and shrewdly-edited edition of its big general catalog. The first one is printed in Spanish. Others in other languages are scheduled to follow.

Moreover, Montgomery Ward and Company will publish a wholesale catalog and go in extensively for wholesale export business. Foreign representatives will be granted the privilege of wholesale rates.

Religious societies, in the meanwhile, are sending more missionaries abroad than ever before. Almost every foreign-bound steamer takes a group of them, headed for the four quarters of the globe. They are unwilling to leave behind them all of the little comforts and luxuries of home, and it would appear that they have gotten into the habit of leaving their outfitting problems to the large mail order houses.

And, whether he makes his home in the rich, almost extravagant West Coast of Africa country, where even natives are spending money lavishly because they have plenty of it, or Liberia, or India, or interior China, each missionary is a potential builder of morale for American concerns.

Our Boss—the Housewife

(Continued from page 20)

will be received, our shipping department, by consulting the delivery sheet, can tell within fifteen minutes.

Take the example of the customer who wants the roast two hours sooner than it would ordinarily be delivered. She phones to the office at 3, let us say, to tell us that she wants her roast at 4 o'clock instead of at 5:30. By consulting the delivery sheet we find that at 3:08 Driver So-and-so is due at D's home. We call that number and inquire if our driver has yet arrived. If not, we leave word for him to telephone the office.

Then we send a special delivery messenger or one of our own special delivery boys to a delivery point perhaps fifteen or twenty minutes farther along that particular driver's route, with instructions to get the roast from the driver and personally deliver it to the customer who wants it by 4 o'clock.

When the driver phones in, he is instructed to meet the delivery boy at the point to which the boy was sent and to surrender the roast to him for personal delivery.

Of course there must be co-operation within the organization to accomplish such things. And to keep our employees satisfied and keyed up to their best performance at all times, we must co-operate with them as well as require them to co-operate with us. We must let them put their fingers on the pulse of the business, too. We must all work together, with no bars up.

And that is exactly what we do. Not only do the officers of the company keep in close touch with the employees in the store, but we actually work side by side with them when the occasion demands. And every officer is as close to the business as is the busiest salesman on the floor.

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Your Money Won't Win Them



You can't *buy* loyalty with bonus systems. All you can buy with your *money* is a certain increase of contentment that makes men more willing to listen to you—more willing to respond if you offer something *more* than money—*good will, trust, confidence,* KNOWLEDGE and RESPONSIBILITY.

Those are the *things* that make business worth while. Worth while to big, brainy, red-blooded men—out after the dollars, of course—but out after a lot of other things, too - *bigger* and *better* than mere dollars. Industrial Democracy is one evidence of it. And it's true of *all* human relations.

The day of doing business by proxies, or in the sign language, is out of date. The man who won't get off his throne and shake hands with his business will find it talking over the back fence with some one who shows *personal* interest in the *personal* side of industry.

The reason why the Multigraph is coming into its own with such extraordinary rapidity is because it is the "glad hand" of men who aren't too proud, or too indifferent, or too *selfish* to put *their own personality into business.*

The Multigraph is "only a machine," but it is also the *only machine* that produces in the privacy of your office, at record speed, at 25% to 75% less cost than other agencies, the *typewritten and printed messages* that today do *almost all the direct selling and propaganda work of thousands of businesses.*

With a Multigraph you can handle inquiries, approach prospects, make dealers enthusiastic, spur salesmen to bigger achievements, *reduce labor turnover,* turn discontent to loyal support. And you get every job done *when you want it*—at a *price you can afford.*

The scope of its work will surprise you. Mail the coupon and see. But—

You Can't Buy a Multigraph Unless You Need It

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio
Offices in Principal Cities



THE INTERNATIONAL MULTIGRAPH CO.
London, 15-16 Holborn Viaduct
Paris, 24 Boulevard des Capucines

THE MULTIGRAPH SALES CO., Ltd.
81-88 Bay St., Toronto, Canada
Offices in Principal Canadian Cities

WIN them with the MULTIGRAPH

"MULTIGRAPH SENIOR

This is a complete, compact equipment that turns out high quality printing and form typewriting at very low cost—averaging a saving of from 25% to 75%. It is simple and easy to operate; rapid and convenient. Electrically driven, with printing ink attachment, automatic paper feed, signature device, automatic platen release and wide printing surface. Easy payments if desired.

"MULTIGRAPH JUNIOR

This is a wonderfully efficient equipment for concerns which have a limited amount of work. It does both form typewriting and office printing and produces the same high quality of work as the Senior Equipment, but it is hand-operated only and cannot be equipped with electric power, automatic feed and signature device attachments as can the Senior. Easy payments if desired.

The Multigraph
1798 E. 40th St., Cleveland, Ohio

Tell me how I can fight ignorance in my business with the Multigraph.

Firm_____ Our Line is_____

Name_____ Official Position_____

Street Address_____ Town_____ State Illus: Jan



Twenty-Four Hours of Daylight

now possible with Emeralite and the new "daylight attachment." Changes harsh electric light into a soft, restful daylight glow. Gives real eye comfort and protection.
Your eyes are priceless—don't neglect them.

EMERALITE

The Daylight Lamp

There's an Emeralite for all types of desks, writing and accounting machines. Adopted by largest firms. An artistic and useful lamp in the home.



Showing new "Daylight Attachment" fitted to underside of glass shade and described in interesting booklet "Electric Daylight"

At your dealer's or write for the booklet.
H. G. McFADDIN & CO., 43 Warren St., New York

Handling Petty Cash In Your Business?

The "Universal Petty Cash Register" is the modern method of handling petty expenditures. Sample form No. 101 mailed FREE upon request.
UNIVERSAL SYSTEM, INC. 608 S. Dearborn Street Dept. B, Chicago, Ill.

AT LAST!
BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads
1000 Billheads and } ONLY $11.25 for Lot
1000 Statements

1000 Letrhds & 2000 Billhds $11.25
1000 Ltrhds & 2000 Lethrds $11.25
5000 large Letterheads $18.20
2000 Letrhds & 4000 Billhds $18.50
10,000 Letterheads $29.50

Customers from Maine to California.
Lithographed on good Bond Paper. *Write for Samples.*
KAY-DEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

BE A C.P.A. ACCOUNTANCY
THE HIGHEST PAID PROFESSION
Cost Accountants-C.P.A's-Comptrollers earn $3,000 to $10,000 and direct big business. WE TEACH YOU by home study in a few months. Fees small-terms easy-money back guaranty protects you
Our Big Staff of C.P.A.s will teach you
Write for FREE BOOK International Accountants Society Dept. 80A-2626 S. Michigan Ave., Chicago

Where do the 100,000 Copies of
BUSINESS GO EVERY MONTH?
A post card or letter addressed to the Business Manager will bring the answer.

The Store That Came Back

(Continued from page 18)

Graphic illustrations, score boards and similar devices were posted in the store at the employees' exits so each employee, on leaving the store at the end of a day's work, could see whether her department had won a prize for that day. The psychology of this plan was always apparent in the large numbers of employees that stood watching the score boards until all the sales were in. It was concluded that they would return for work the next morning much more enthusiastic by reason of knowing what had been accomplished the day before than they would were they told after the news became "cold."

Many different plans were used to make graphic the results of each plan. During the war a large "Compo" board was ruled off into a design like trenches. A color was assigned to each department and a small figure carried this color on his back. As this department "went over the top" the figure was moved up to the next trench station. Thus every employee could see every day just where its color-bearer stood.

Another very successful idea was the use of a series of thermometers for each department. Days of the month were used instead of degree marks. A narrow red ribbon took the place of the mercury, and as the department made its sales quota the red ribbon ascended the tube.

Prizes to Departments

In one month a cash prize of $1000 was split into four sections and divided among the departments, the largest prize being $350. To show the progress of the departments in this contest, an automobile race course was used, the seven different merchandising sections being given seven different cars, indicated by number and color. The racing course was divided into the number of sections to represent the number of business days in each month. As the different groups made their quotas the cars were moved forward. The daily results of every contest were shown on the boards every night. That was an unbreakable rule, no matter if ten accountants had to be called in to post the sales.

Although many stores seem to feel that their duty towards a successful sale event is done when the advertising is prepared and published for the benefit of the public, the management of this store believes that the most important personage in any sale is not Madam Public, but Miss Employee. Accordingly, when any big event is being staged, Miss Employee is promptly informed all about it. The public's information follows hers.

In one sale which the writer watched develop, a bulletin was issued, to be read every day by every employee of the store, the day before the event scheduled took place. For instance, on Monday evening some such bulletin as this would be sent to every department head for distribution to the staff: "On Tuesday the lingerie section, second floor, will have a sale of envelope chemise. The prices will be $1.95, $2.95 and $3.95. If you tell the patrons of your department about what the second floor is doing today, the employees of the second floor department will tell their patrons what you are doing some other day—you'll both be benefited. Many customers will thank you for calling their attention to that sale—and you'll find your fellow salespeople reciprocating."

Test for Co-operation

Did they tell their patrons? They did. A follow-up was worked just to see if the different departments were co-operating—and the follow-up showed most gratifying results.

Incidentally, it might be mentioned that frequently the salesgirl who read in the bulletin about some special sales event took advantage of the opportunity to do some shopping for herself.

Here's a store that firmly believes in having its right hand know what its left hand is doing.

It isn't possible to tell of the hundreds of plans used to make a sick store get well. There are a few fundamentals, and the Duffy-Powers management applied all these fundamentals with just as many ramifications as possibly could be invented. When anything was started it was finished. Every possible angle of every job was checked up, checked down and checked back. Everyone interested, directly or indirectly, in any sale or any event knew all about it, where his or her interest started, centered and stopped.

There are no secrets in the Duffy-Powers organization. There are no closed doors. There are no obeisances. There are no "big bosses." Everyone, from the smallest bundle girl to the associate manager, has the right to enter Mr. Mench's office without knocking. Everyone can make any suggestion to anyone any time she sees fit—and it so happens that she frequently sees fit.

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That was the plan at the start. It was the plan all through, and according to John Mench's creed it always will be the plan.

The results justify it.

What kind of a man is John Mench?

Perhaps you'll find your answer in a part of the Duffy-Powers policy that I've watched worked out, evening after evening, from the time the last bell rings until the last sales report has been handed in and the day's total reached.

In this store it is required that each department head hand in the report of the day's sales as he leaves the store in the evening. The sales are all totaled daily, and the executives know what the day has been. The auditor has his sales blank before him near the employees' exit. John Mench stands near the door, often taking the sales report as it is handed in.

If the department manager has had a good day, he gets this from Mr. Mench: "Fine day, Frank! That shows what you can do when you go after it." Frank felt good before—he feels better now.

Or, if the department manager has something in the way of a sales report that he is a little ashamed of, he is cheered by some such remark as this: "Well, Patterson, got a little bump today? Too bad; but I think tomorrow you'll have a good business. That was a good ad you had tonight. Ought to pull. Is there anything you need in the way of help or merchandise?"

And Patterson leaves with a warm sort of feeling inside, and an ambition to show Mr. Mench that tomorrow is going to be "some day."

An employee going from the store contented and happy likely will come back to the store in the morning contented and happy.

Anyway it ought to work that way, and the Duffy-Powers' figures indicate that it does.

And I've been in the self-serve grocery when Mr. Mench was there, and I've seen a woman purchaser rather heavily laden with her purchases, and this man Mench, the manager, has walked over to her and taken the packages from her, walking along with her to the cashier and then carrying her packages out through the grocery exit.

She didn't know who he was—she didn't need to know; but to her he represented the kind of courtesy the Duffy-Powers store believes in, and the chances are she told her friends about it, and her friends tested it.

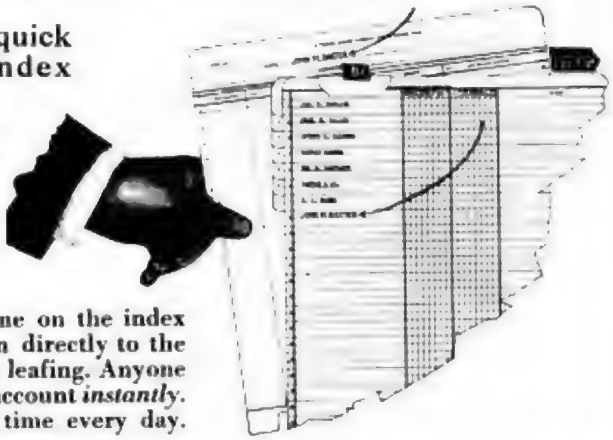
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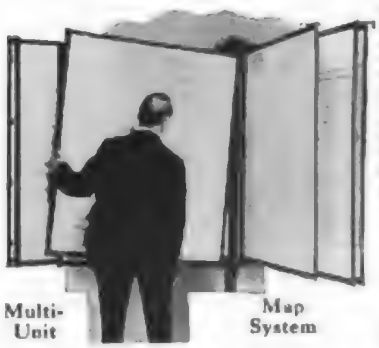
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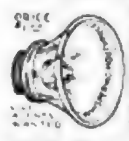
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For the Good of the Order

(Continued from page 10)

woman, have her study up on the hardware end of the house furnishings and let her run that department for you on a profit-sharing basis, charging her so much for rent, light and heat. If you get the right woman she will show you in a short time what she can do with half of that first twenty-five feet of your store."

Then Brown and I drifted into a discussion of the handling of clerks. I outlined my views of fixing responsibility—of giving each clerk a certain part of the store to manage as his own.

The next thing we knew it was lunch time. It was still snowing hard. "Mr. Brown," I said, "I happen to be stopping at the hotel just a block away. Won't you have lunch with me?"

So Brown put on his overcoat and we walked over to lunch. You should have seen the expression on Gray's face as we walked into the hotel office! I shook my head at him and he did not approach us. Brown nodded to him as we passed into the hotel dining room.

After we had ordered lunch Brown asked, "Who are you?" I laughed and remarked, "What difference does it make? The question is, have I convinced you that you are not a good merchant?"

Brown replied, "No." He would not admit that he was not a good merchant, because he had made a success in his business; but he said, "I will admit that you have taught me a whole lot this morning about merchandising."

So we had luncheon together and talked about a good many other things besides business. After lunch I went back to his store with him and told him who I was. Then I "opened up" on the subject of the advantage of a merchant's pushing one complete line of goods under one brand instead of having his stock full of goods bought from every Tom, Dick and Harry.

I asked him if he would come over to the hotel and look over our line of samples after dinner that night. I told him I would like to show him what a complete line looked like. He consented to come, and then I re-introduced him to Gray and we talked over our line until almost midnight. Brown remarked that he would think it over. The next day I called on him and I spent the rest of that week working with him over his store plans and the changes he proposed to make in his store. He admitted to me that he had decided himself that it was necessary for him to change his store arrangement. He admitted that most of the things I told him he knew already, but he had just been too busy to think

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much about them. He said I came just at the psychological moment when he was ready and open for a change—that he was tired of selling so many different lines and he had been about convinced that the best thing for him to do was to tie up with one line, advertise that line and push it. I had just happened along at the right moment.

I made him one of the best customers our house had in the Northwest, not because I convinced him that he was not a good merchant, but because the plans I suggested were plans he had been thinking about. I let it go at that; I dropped the argument and got the order.

Six months afterwards I again called on him, and his store looked like a different place. He had a bright woman selling house furnishing goods. He was in the front of the store meeting his customers himself. He had another man doing the buying. The first twenty-five feet of that store were full of show cases down to the floor, and modern selling devices. There were neat baskets holding booklets and advertising matter featuring the goods he sold, and the entire place had a different appearance.

The hat? Oh, yes; Gray bought the Dunlap hat.

City of Applied "Humanics"

(Continued from page 23)

contribution is forfeited to those who stay for the full period. The corporation calls this the forfeiture fund, but the workers term it the "jack pot." Seventy per cent of the General Motors Company's employees in Flint are now saving under the plan.

To relieve the housing conditions still further and keep its workers contented, the General Motors Company is now building a dormitory for its unmarried men employees. This structure will be seven stories in height and will cost $2,500,000. It will contain sleeping accommodations for 1,168 men, and will also have recreation and entertainment facilities for 2,700 persons. It is being erected near the Buick plant, but distant enough to be away from the smoke and noise of the factories.

Flint is the home town of W. C. Durant, president of the General Motors Company, and business men of that city are quick to give him credit for keeping that city pretty well on the map. His mother, Mrs. R. C. Durant, is still a resident of Flint, and the working people have a big place in her heart, for right now she is planning a large home for working girls on the same order as the building now being erected by the General Motors Company for men.

With all these activities in the line of human engineering, it doesn't seem surprising that Flint is a city of industrial peace, happiness and content.

The city is alive to its possibilities. Its people have vision, and they are preparing for great expansion in the way of schools and civic buildings. The town has grown so fast there is a scarcity of hotel accommodations; but this won't be for long, as a $2,000,000 hotel is now being erected to relieve this situation.

When Flint was just an ordinary little inland city, its railroads, the Pere Marquette and Grand Trunk, crossed the main street in the business section, and they are still crossing at the same spots. This condition will be eliminated before long, however, because the railroads, like everybody else, are co-operating. Plans which have been approved provide for a belt line around the city and also for a new passenger station which would reflect credit on a much larger community.

Another illustration of the pull-together spirit in Flint is the support the people give the Salvation Army, which has been doing good work there for years. Howard Clifford was at the head of this organization's religious and philanthropic work there, and his earnestness and hard work won him the support of all classes. He organized a Salvation Army brass band a number of years ago. It developed into a high-class musical organization, and the people of Flint were so proud of it they sent it to England to attend the world convention of the Salvation Army five years ago.

The Flint factories co-operated with the Salvation Army, and found a position for every member of the band in the plants. And the people of the city showed further appreciation for the work the army was doing by erecting for it one of the finest citadels in Michigan.

Clifford's work continued to win him recognition until he was finally placed in charge of the personal service work at the Buick plant. He studied theology, and was appointed pastor of a large Presbyterian church in Flint. He met with such pronounced success he was later called to a larger Presbyterian church in Saginaw, where he is at present.

These facts prove that the community spirit prevails in Flint; that the people are willing to help one another. They explain the peaceful atmosphere of this thriving city that has grown from a population of 38,000 in 1910 to 100,000 in 1919.

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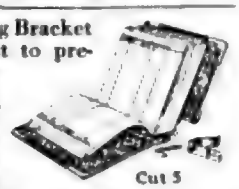
3. Part of accounts posted. Posted accounts moved to left-hand side and offset to indicate a change in balance—Milled turning posts prevent accounts slipping to center or sagging—Vertical style binder eliminates a long reach for the sheet and increases speed in posting—Extended covers protect offset sheets.


Cut 3


Cut 4

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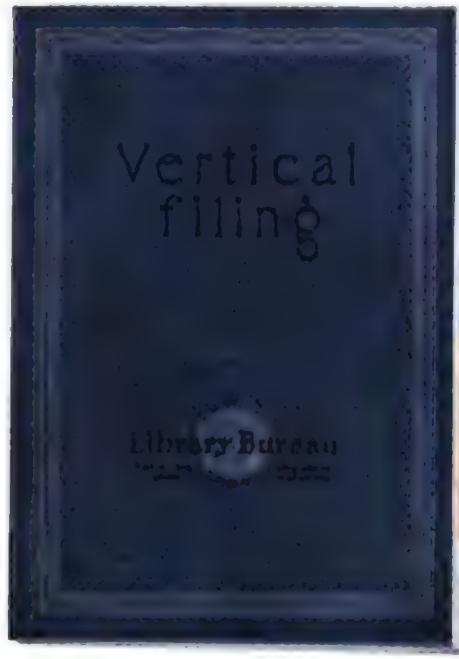
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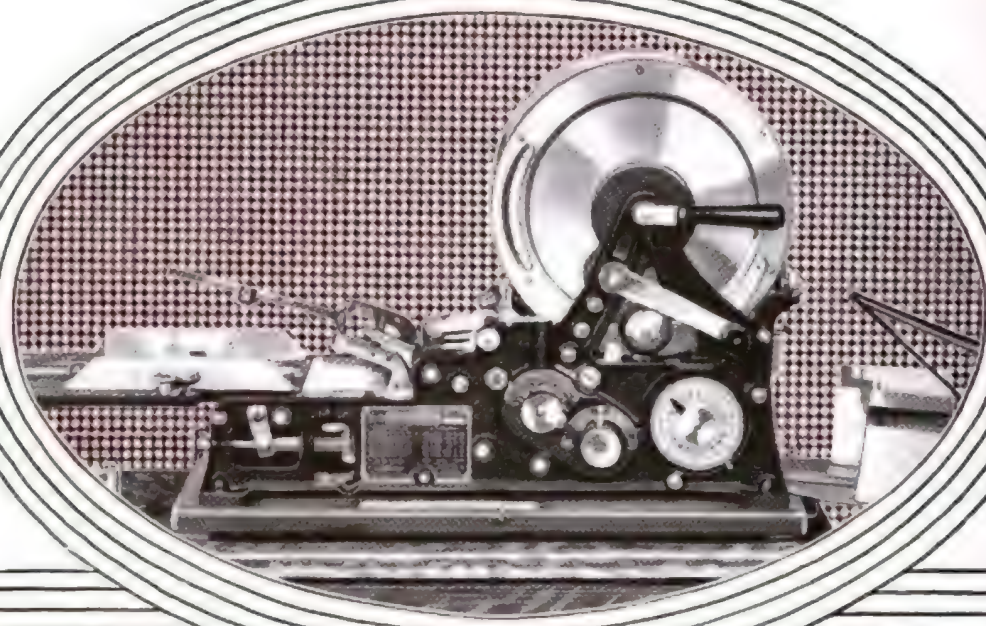
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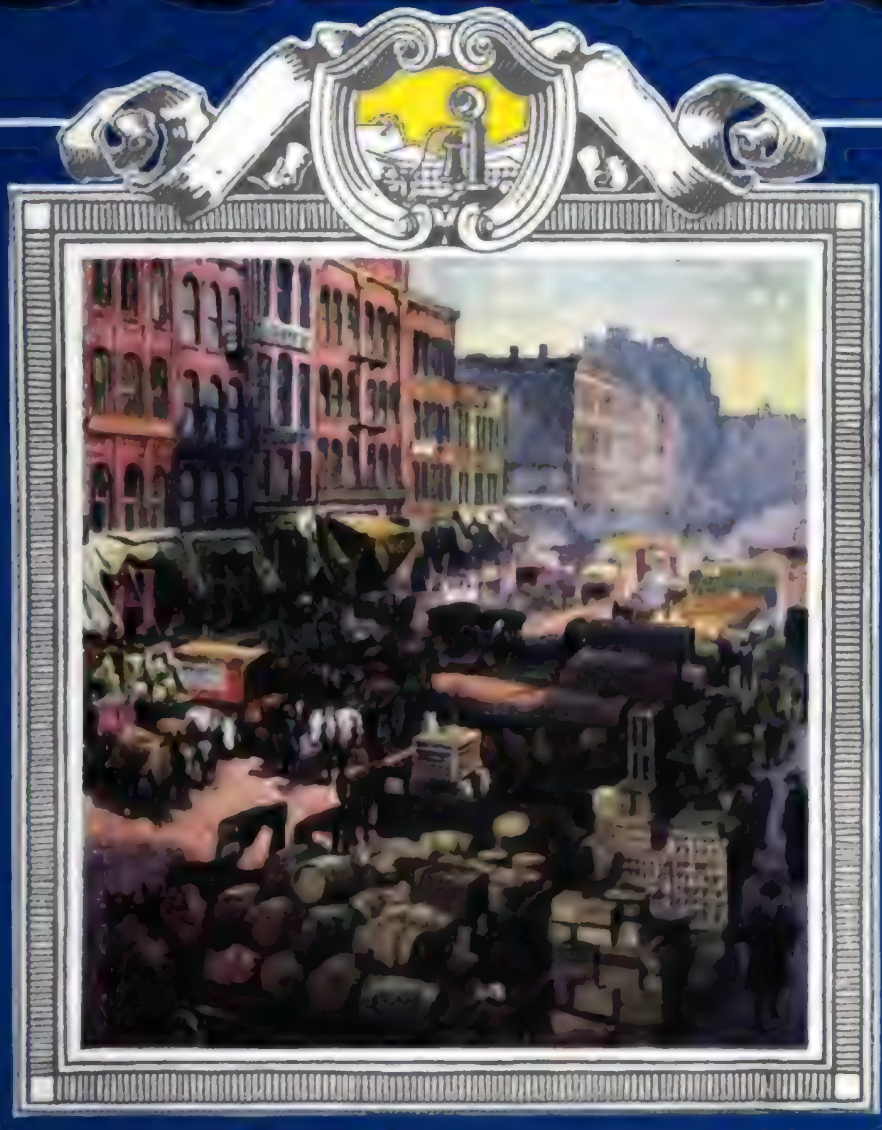
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BUSINESS

Volume 1, No. 5 February, 1920

Lucien Kellogg, *Editor* P. P. Martin, *Business Manager*

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Who shall guard the guards themselves?

Quis custodiet ipsos custodes?
– Seneca

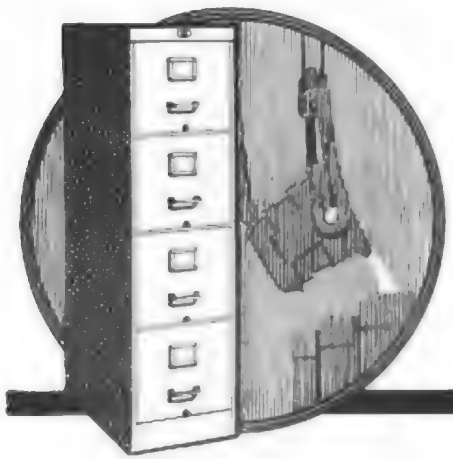
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First Aid to Infant Industry

Space, Selling Service and Shipping Service—The Bush Terminal System Provides all Three

By EDWIN J. CLAPP, Ph. D.
Professor of Economics
New York University

IN ALL human affairs two opposing agencies—good and bad, trouble and relief, diseases and their cures—advance shoulder to shoulder. In warfare a new armor-piercing shell brings forth a new and stouter armor that cannot be pierced. The submarine is about to clean the seas when the depth bomb appears and is as great a terror to the submarine as the submarine is to the freighter. Weapons of offense and defense improve with equal speed. If it were not so, there would be no more real war, for the attack of a strong aggressor would be either irresistible or futile.



Unloading coffee from steamship at Bush Terminal pier

We all know that the progress of medical science tends to keep pace with the bodily disorders that are caused by life in a big city. If that were not the case our big cities would disappear; their populations would die rapidly and nobody else would move to them from the country and endanger his existence. As it is, life in the cities is kept about as healthy as it is outside of them.

Just so, the modern city brings disorders which would threaten the city's industrial life if remedies for them were not promptly found. Industries and businesses would remove from the cities if constantly new ways were not found to obviate the evils of congestion and confusion which arise when masses of men and women are herded into a narrow space to live and work.

For example, the problem of housing the maximum number of persons in a small space was met by the tenement. The problem of enlarging the area in which tenements could be built and yet remain accessible was met by successive improvements of rapid transit: street cars, elevated, subways. The additional fire risk was met by high-pressure water mains, automatic sprinklers, and fireproof building construction. The need of rapid communication throughout that business unit which we call the city was met by the telephone. Traffic policemen manage what otherwise would be inextricable confusion on the streets. These are a few illustrations which might be multiplied almost indefinitely.

As a matter of fact, the advantages of living and doing business in the city increase more rapidly than the disadvantages, as is proved by the tremendous drift of population to our large centers. The big cities, especially the biggest cities, grow more rapidly than the rest of the country.

METROPOLITAN New York is the biggest place in the world. Nowhere else do conditions tend to create such congestion and confusion. One of the men grappling with the difficult problems that confront industry in New York is Irving T. Bush, best known as founder of the Bush Terminal in South Brooklyn. A sketch of what he is doing is interesting not only as a record of what New York owes to him: it indicates certain lines of relief which other cities will take as they find themselves approaching the size of New York.

When the industrial buildings of the Bush Terminal Company were built in South Brooklyn, dozens of their present tenants, light manufacturing concerns, were established in lower Manhattan. Their rents were high; their insurance was high; their quarters were cramped; their cartage bills, to and from the railroad stations, were enormous. Bush offered them an industrial location and service which eliminated these troubles.

Those who never have lived in Manhattan may not know that its freight stations consist of piers and the adjacent shore sheds along the Hudson river, mainly south of Fourteenth street. Railroad cars on car-floats are tied up to those piers, unloaded on the piers and later loaded from the shore sheds, which serve as outbound freight stations. The number of these pier stations could not be increased as the city grew.

What grew still faster was the congestion of shippers' trucks, standing in line to get freight at the inbound pier stations in the morning, or to deliver freight at the outbound shore stations in the afternoon. There was a saying that the concurrent oaths of New York teamsters, if placed end to end, would reach from New York to San Francisco. The side streets approaching the river were full of waiting teams. A team, because of this waiting time, could not call at more than one freight station in the morning, nor deliver to more than one in the afternoon. If consignment, no matter how small, were to be delivered to more than one railroad, a separate truck would have to be sent to each. The consequent cost of cartage was very high. It still is for all those light manufacturers who remain in Manhattan; it is not for those who went to Bush.

THEY had hesitated to leave lower Manhattan because of the excellence of the railroad service it enjoyed, once they could get their freight delivered at the station. From these railroad piers are loaded daily hundreds of through cars of package freight, one for every important city in the United States. The manufacturers—of clothing, for example—had to be where they

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were accessible to the highest class railroad service. They had not moved to the Bronx or Brooklyn, because at railroad stations there most of the freight is put into cars not loaded for destination but loaded to transfer points, with consequent delay en route. Moreover, a man in the Bronx or Brooklyn had considerable cartage charges just as in Manhattan—not so high, to be sure, but nevertheless very appreciable charges. Bush asked him to come to the Bush Terminal where he would have no cartage charges at all.

AT the Bush Terminal a manufacturer can rent a floor or part of floor in one of the eight industrial buildings. Each building is built on three sides of a quadrangle into which run railroad tracks from the terminal yard, thirty miles of trackage in all. These tracks run so that a car can be placed alongside a loading platform of each building. From this loading platform goods can be hand-trucked to freight elevators reaching every tenant.

The Bush Terminal is terminal agent of all roads entering New York. Except in a few instances the flat New York rate, the same which applies to stations on Manhattan, applies to freight received or delivered at the Bush Terminal. The shipper of package freight (L. C. L.) delivers his goods to the freight elevator on his floor and gets from Bush a through bill-of-lading to destination, no matter by what railroad he ships. There is no more cartage. The tenant is situated in a joint freight station of all railroads. The manufacturers' need for a shipping department is cut to next to nothing.

Bush receives each small shipment along with hundreds of others from his manufacturing and warehousing tenants or the steamships at his piers, and consolidates the shipments into through cars, either on the individual shipping platform or at a transfer that he maintains for the purpose. Of course he does not have enough small freight to load as many daily through cars as are loaded on the lower Manhattan waterfront, but he has enough to load a daily car to each large city in the country. Other small freight he puts into transfer cars loaded to the first transfer station of each railroad, back of the Jersey waterfront. As the number of his tenants grows, so does his ability to load through cars and give superior railroad service. He now has about 4,000 customers at the Bush Terminal. His tenants, with their employees and his own and their families, represent a population of 50,000.

Here we have a fine example of co-operation in business. Little manufacturers co-operate and get the same railroad service, the same elimination of cartage or switching charges, which is the lot of the fortunate big manufacturer who can afford a location with a private railroad siding, and who himself has enough outward traffic to load his own full cars. At the Bush Terminal the little fellows club together and pool their shipments. This eliminates the cartage charges which would befall the little fellows if each operated independently. It also gives them a volume of traffic which assures them of a railroad service which none but the largest of big shippers can command. Sometimes the little fellows with Bush grow up so big that they can build their own great plants, supplied with all the facilities that Bush offers them co-operatively. In such cases the Bush Terminal has served as an incubator of industry.

Nowadays we acclaim the man who does something to keep the little man in business. Bush has done a lot. His co-operative plan in South Brooklyn gives to a manufacturer who rents a floor there better transportation facilities than he could have if he built his own small individual plant.

But Bush does more. Because he has hundreds of tenants he can supply them other facilities they could not possibly have in small independent units—facilities which the big fellow does have in his modern plant. The Bush tenants jointly share the benefits of an automatic sprinkler system that cost $1,000,000. It entitles many of them to rates of 10 cents per $100 in the exclusive New England mutual insurance companies, or 20 cents per $100 in the line companies.

Jointly the tenants share in a complete watchman and fire department service. Jointly they share an emergency hospital and also a restaurant. Jointly they utilize Bush's trucking service for local New York distribution or for connection with water carriers—a better service than any individual could maintain, and at lower costs.

IN the same way Bush's lighters transfer large shipments between the terminal and water carriers. The tariffs of some coastwise lines provide for absorption of this lighterage charge into the New York rate. Many water carriers dock at the Bush Terminal itself; in fact, from one-fifth to one-fourth of the foreign trade of the port passes through it. The terminal has seven great piers, each 1400 feet long, each virtually a terminal in itself. Twenty-seven steamers can discharge at the same time. The concentration of shipping here is increasing. A Bush tenant's shipments cannot fail to make connection with these boats, for they dock at his door.



PHOTO BY BROWN BROTHERS, NEW YORK

Bush Terminal Sales Building, New York

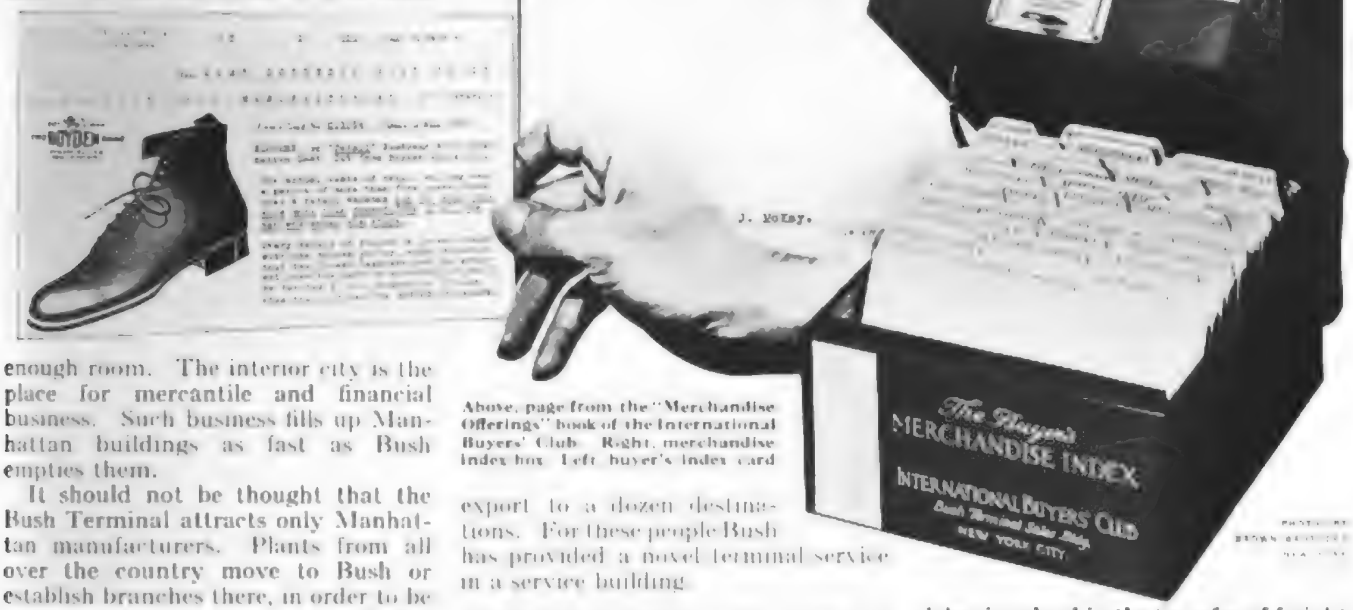
The terminal contains 130 warehouses, small and large. In these warehouses is stored a good percentage of New York's raw material imports: such commodities as Egyptian and Indian cotton, hides, sugar, jute, sisal, palm oil and copra. They are convenient for manufacturing tenants who use such materials. It used to be said that import goods were landed in Manhattan, stored in Brooklyn and shipped from New Jersey, and that the devil himself could not have devised a worse system. At the Bush Terminal the ocean steamship, warehouse and railroad are brought together and waste motion between them is eliminated.

The industrial tenant often, but not always, gets lower rent from Bush than he had in Manhattan. To be sure, there are some old loft buildings in Manhattan that are allowed to stand simply because they are "tax payers." Their rents are comparatively low. But the insurance

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rates for the tenant of such old buildings is high and he is subject to cramped, ill-lighted, badly-ventilated quarters, unsuitable for himself and for his help. With Bush he finds that he has all he wants of most modern manufacturing space, and more room to expand as he needs. His savings on such items as insurance and trucking are often such that he gets his space "rent free."

Yet the Bush Terminal's industrial buildings and service are significant for more than savings to the manufacturer. They mean still more for the people who are taken away from Manhattan to work in the new quarters. They point the way to a decentralization of light manufacturing, whose output is produced chiefly by human labor. The heart of a city is no place for men and women and children to do industrial work. The land is too valuable. No one can afford to give them enough room. The interior city is the place for mercantile and financial business. Such business fills up Manhattan buildings as fast as Bush empties them.



Above, page from the "Merchandise Offerings" book of the International Buyers' Club. Right, merchandise index box. Left, buyer's index card

It should not be thought that the Bush Terminal attracts only Manhattan manufacturers. Plants from all over the country move to Bush or establish branches there, in order to be at the heart of the greatest purchasing market in the country, New York, and near the 20,000,000 people within 200 miles of the city. They also come to establish themselves at the center of the world's greatest spiderweb of transportation lines: ocean, rail, coastwise and river carriers.

Even though a manufacturer may not need to locate and manufacture in New York, he may need to maintain a distributing depot here, for two reasons. First, he needs a stock on hand in New York so he can promptly supply the demands of the 20,000,000 for local consumption: merchants do not carry large stock nowadays, but live from hand to mouth. Second, the manufacturer can often save money by shipping in car lots to New York and there have his car lot broken up into individual small shipments for New York and eastern markets, or for export to a dozen destinations. For these people Bush has provided a novel terminal service in a service building.

IT is not that this service was not provided for in New York before, but it was provided in a different way. For example, an inland manufacturer would ship a consolidated car lot consigned to a New York broker. The broker would engage a teamster to cart the goods to a warehouse, which would store the goods and give some sort of a service in repacking and remarking them. Upon order the separated shipments would be trucked to separate railroad or over-sea carriers, and in the case of the over-sea carriers the broker would take out the ocean bill-of-lading, attend to the insurance and financing of the shipment and make out the necessary consular papers. There were thus a number of agencies doing this kind of terminal work with division of responsibility; duplication at least of overhead expense, and inevitable costs and delay involved in the transfer of freight from carrier to warehouse and warehouse to carrier.

In his new terminal service Bush becomes simultaneously railroad terminal agent, warehouse man, seaboard broker, teamster and forwarder, though much of the previous teaming is eliminated. The inland manufacturer ships a car to Bush and it is delivered, at the New York rate, to the service building. It is eight stories high, concrete, and fireproof, and has 36,000 square feet on each floor. Railroad tracks reach the building at two different levels.

The first floor of the building is a great shipping platform where in all weathers twenty-seven trucks can be loaded simultaneously. One side of the building fronts on water, where lighters come alongside. Car, truck, lighter and warehouse are thus assembled at one place. The building is

(Continued on page 28)

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That's the Omaha Spirit

Boosters Apply Scientific Selling Methods and Raise $60,000 for Advertising the City

By CHARLES E. DUFFIE

SELLING a city to its own people is an interesting thing to do. It is a productive work, also. Omaha knows, for it has recently finished this kind of sales campaign, and is much the better for it.

Its business men are working together more harmoniously. They are taking a greater pride and a greater interest in "our city" because they have been so thoroughly "sold" on its superiority that they are paying real money each month to help advertise its advantages to the world.

In 1913 Omaha was "getting along very well, thank you," with its Commercial Club, its Grain Exchange, Real Estate Exchange and other public bodies working in every way they knew how to advance the city's interests.

One day a little group of business men who had gathered at the Commercial Club to lunch together chanced to touch on the fact, in their conversation, that advertising was necessary to the growth of any institution.

"If Omaha were better advertised, it would progress more rapidly," said one.

"All right," answered another, "we'll advertise it."

"How will we do it?"

"Organize a bureau of publicity, hire a publicity expert and advertise the old town to the world."

"Yes, but how will we get the money? The Commercial Club has no funds to devote to such a purpose."

"We'll raise the money among the business men," said one of the enthusiasts. "We'll ask every business firm and professional man in town to contribute a certain sum each month into a fund from which to defray the expenses."

That was the beginning of the Omaha Bureau of Publicity, now recognized as one of the most efficient organizations of the kind in the country. While it is, in fact, one of the subsidiary organizations of the Chamber of Commerce, and is nominally under the direction of the executive committee of the chamber, it raises its own funds and expends them as the manager and the governing board see fit.

At first it was "hard sledding." From 1913 to 1917, inclusive, the bureau had the average yearly sum of $15,000 at its command. But as the work went on the business interests began to take notice of the good results being obtained. For 1918 and 1919 the funds rose to an average of $30,000 annually. To get them, however, entailed intensive solicitation by a special committee of business men who could ill afford the time.

When it came time to plan for the campaign of 1920, the question of a financial drive was necessarily one of great moment. None of the members of the governing board was anxious to serve on the soliciting committee, and yet it was very necessary to increase the bureau's funds, if possible, to $60,000.

The plan finally adopted was, perhaps, unique in every way. Omaha had been through drive after drive, first for war work, then for reconstruction, charities and other movements. So it was decided to make an intensive campaign for the funds, but to put it into the form of a selling campaign, rather than that of a solicitation for money; in other words, to sell the city and its advantages to the business men of Omaha, just the same as they might be sold the goods and wares in their merchandise stocks.

THE plan was originated by Harry B. Whitehouse, a member of the governing board and local sales agent for a specialty product of national reputation. It may not be amiss at this point to say that Mr. Whitehouse is a salesman of the highest type; he has won first prize many times in the national contests held by his company, and has been one of the leading figures in the various local war drives for the sale of Liberty bonds, War Savings stamps, Red Cross funds and other activities.

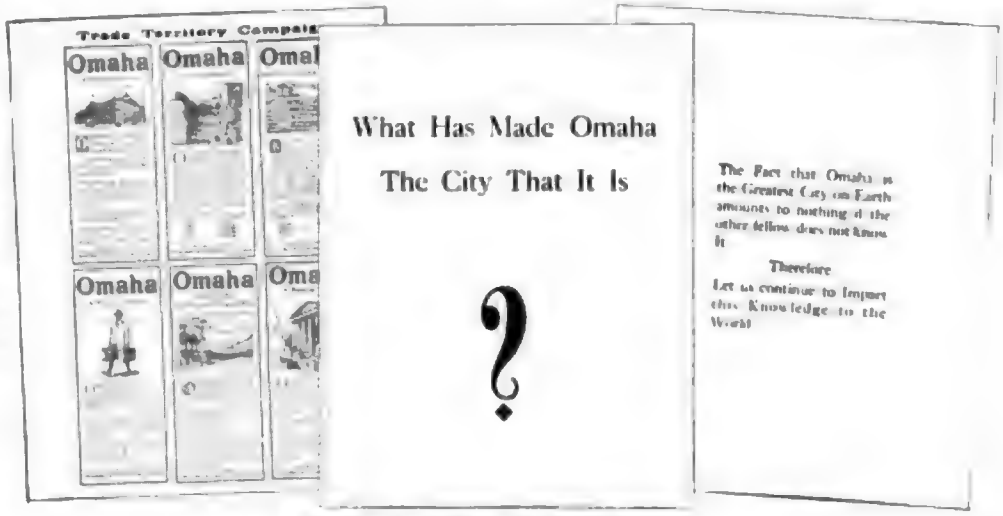
First, the city was divided into eighteen districts, each of which was placed in charge of a "major." The duties of the major were to select a sufficient number of "captains" to look after the precincts into which the city was subdivided. A captain was assigned to each precinct, and to him fell the duty of naming a sufficient number of "lieutenants" to carry on the solicitation. So thoroughly was the work of districting the city done that no one lieutenant had more than five prospects to see.

Therefore in a district of 150 prospective subscribers, for instance, the major named perhaps three captains, who in turn selected ten lieutenants each.

Having decided to "sell" the city to its business men, it was necessary to provide the salesmen with something to sell; and this was done by printing a regular salesman's manual that could be shown to prospective subscribers, and which described the work of the bureau, showing what had been accomplished in the past and what it was hoped to achieve in the future.

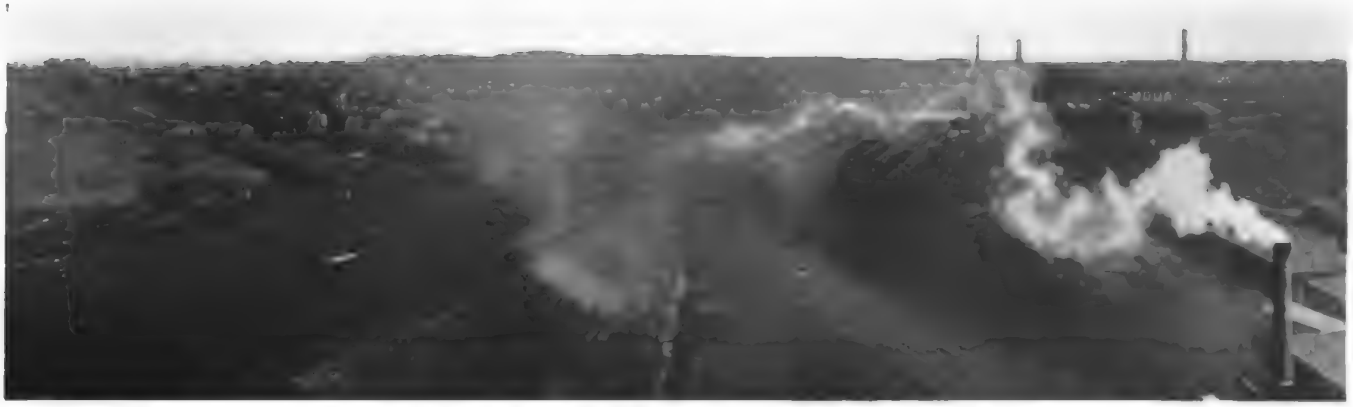
All through the war Omaha had kept up its advertising campaign, conducted by the bureau, and it was, by the way, the only city advertising nationally during the war period.

Display ads, necessarily small, but exceedingly distinctive, appeared



Specimen pages from the Sales Manual

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Bird's-eye view of industrial section of Omaha, showing railroad and stock yards

regularly in the big national weeklies, some of the leading monthly magazines and several trade publications. So effective was this publicity that McClure's Magazine sent Edward Mott Woolley to Omaha to write up the city, and his article, "The City of Magic Plans," was a sincere tribute to the Nebraska metropolis and its progressive spirit. Harry Leon Wilson, in the Saturday Evening Post, wrote this: "Even our large cities are advertising. Good thing, too. I have lately acquired a new respect for Omaha and New Orleans—I am obliged to believe in them."

IN addition to its national advertising, Omaha had run a rather extensive campaign of single-column, five-inch advertisements in the daily papers in the Omaha trade territory and also used similar spaces in many of the country weeklies.

This advertising had produced, from January 1 to September 1, 1919, a total of 2,560 inquiries, no fewer than two hundred five of which were from New York City, one hundred ten from Chicago, forty from Philadelphia and seventy from foreign countries. It is also a remarkable fact that one of every thirteen business houses in Omaha has been established since January 1, 1919—proof that the work of the Omaha Bureau of Publicity had been producing unusual results.

All of these facts were compiled in the sales manual, a book of twenty-six pages and cover, measuring 8½ x 11 inches.

The sales manual was unusual, in that the salesmen were instructed to open it at the center, and lay before the prospect the page on which was printed this question:

"WHAT HAS MADE OMAHA THE CITY THAT IT IS?"

This question produced many different answers, some amusing, some sensible, and some idle; but the point was that the prospect's attention was invariably obtained when this book was presented to him in this manner.

No matter what answer the "prospect" gave, the salesman agreed with it, but added: "That's true, of course; but after all, isn't the *real* answer to this question printed on the next page?"

Turning the leaf, the salesman revealed the word, in large, black type,

"CONFIDENCE!"

The salesman immediately went on: "Confidence is the basis of all business transactions, is it not? You will not buy anything from a house in which you have not confidence; neither will you sell to anyone whom you believe to be unreliable. Therefore confidence makes not only business, but makes cities, as well. If you did not believe in Omaha, you would not live here—now would you?"

There was but one answer to that line of sales talk. When it was returned, the salesman went on: "Now what establishes confidence?"

This question, too, evoked many different answers, but on turning the page the salesman brought into sight another single word—

"KNOWLEDGE!"

"There can be no confidence without knowledge," the salesman went on. "If you haven't confidence in the financial ability of some prospective customer, you ask about him at the commercial agency. When you get the report, showing in detail that he is perfectly good, your confidence is so great that, without question, you ship his bill. Only knowledge can give confidence. When you are in a strange city you have to inquire your way to the post office, for instance, and perhaps you get there only after going several blocks out of your way. At home you walk confidently up the street to the post office, because you *know* where you are going. Or you enter your own house, after night, without a light burning, and proceed confidently to the switch in the wall because you *know your bearings;* but in a strange house, you would move with greatest caution. So knowledge is the basis of all confidence. Isn't that true?"

HAVING obtained the prospect's acquiescence, the salesman next asked: "Now what is knowledge?"

By this time the average prospect would be waiting to see the next page in the book, and would not attempt to answer. Turning the leaf the salesman disclosed these paragraphs:

"The conveying of a thought or the establishment of a fact.

"It is not what we *say*, but what is *understood* of what we say."

Another page was turned and the prospect read this:

"The fact that Omaha is the greatest city on earth amounts to nothing if the other fellow does not know it.

"Therefore let us continue to impart this knowledge to the world."

And rapidly turning the page, the salesman brought to view this message, in bold-faced type:

"A dollar or so a month from each business or professional man in Omaha will give us a city of 500,000 in a few years. Here's to the best city on earth—Omaha."

Up to this time the prospect had not received an inkling of the salesman's purpose. But now the salesman turned rapidly to the front part of the book showing a large map on which each of the 2,560 inquiries from all over the United States had been "spotted;" then to an illustration of the "Omaha Book," 10,000 of which have been distributed to inquirers to date; to facsimiles of the three-inch ads used in the national mediums and to the five-inch ads running in the daily papers in territory tributary to Omaha.

At this point the salesman laid before his prospect a subscription card,

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Merchants of Tomorrow

How Dr. Lee Galloway and the Big New York Stores Develop "Masters of the Science of Retail Selling"

By J. K. NOVINS

ONE DAY several months ago the executives of a certain New York department store met in conference to discuss the urgent need of more efficient training of department store employees. They pondered over the problem until some one made a suggestion that they thought ought to be tried.

As a result of that conference, twenty leading department store men in New York and New Jersey and officers of two leading retail merchants' associations pledged $20,000 a year for five years to conduct an experiment in commercial education—a university teaching salesmanship on a fifty-fifty basis—half theory and half practice.

The average business man would not expect brass-tack results from an isolated, dry-as-dust academic institution, and probably would turn his face in scorn when confronted by a "Master of Science in Retail Selling" applying for a job, but the fact is that twenty-two hard-headed business men prepared to spend $100,000 to see the experiment through.

The other day—scarcely four months after the retail salesmanship school was established at New York University—a leading retail merchant, president of one of the largest of New York's department stores, visited the school.

"To say the truth, I was a bit pessimistic when the thing started," he told Dr. Lee Galloway, director of the New York University Training School for Teachers of Retail Selling; "but I can already see the practical results. Well—I am sold on the idea!"

The editor of a leading New York morning newspaper, in commenting on the experiment, called it "one of the most important movements that in recent years has grown out of the need of more comprehensive training for store employees, especially those who come in contact with the public."

The most significant feature of the idea is that thirty young men and women now attending the school



Demonstration in selling in the training department at Macy's, New York

receive first-hand training in retail salesmanship by attending university classes in the morning and rounding out a perfect day with an afternoon of actual experience in a department store. And meanwhile they receive monthly salaries ranging from $50 to $80 a month during the two years of combined study and practice, while during the summer months, when full time is devoted to department store work, the allowance is increased accordingly.

It is called "The New York Plan" because it was developed chiefly by the merchants of New York and differs from anything tried elsewhere. The students are all college graduates. They hold degrees from Princeton, from Columbia, from Colgate, and from colleges as far as California. In addition to the advantage of study and practice the students enjoy that of meeting prominent New York merchants. The school is situated in the midst of the retail trade of the city.

TO get a comprehensive idea of how that theory-practice educational machine turns out its finished product, let us follow up John Smith, one of the thirty students on whom twenty-two leading retail merchants have staked $100,000 in cold cash. Smith holds a degree from a western university. Before the war he taught school, practised law, made political speeches, and developed an aggressiveness that netted him a commission in the army. The war had taught him new things, and before long he was sitting in Dr. Galloway's office on the eighth floor of the University building, Washington Square and Waverly Place. From the windows he could see the span of wireless towers on the roof of Wanamaker's, and as far as his eyes would carry were tall office buildings and retail palaces.

Several young men and women preceding Smith left with heavy hearts and sorrowful faces, for they had failed to pass the personality test. One had a defective eye; another a facial deformity of some kind—something that in the routine of selling would in a measure tend to distract the buyer's attention from the article. Still another had failed to convince the director of his determination and concentrative power. Dr. Galloway is authority for the statement that at least twenty candidates were turned down because they lacked that something called "personality."

"You'll do," Dr. Galloway told Smith. "With the right kind of training you will make a fine department store executive. The course is divided into theory and practice, but the theory is of the practical kind. It will differ from anything you ever learned in college. We will teach you the human equation of salesmanship."

It all sounded interesting, and Smith enrolled.

A day after school opened, Smith and the other students were invited to have luncheon with the sales force of a department store, so they could talk things over. Then came another luncheon, Smith sitting with some of the foremost department store owners of New York. One of the party was the superintendent of the New York public schools, who is watching the experiment with a view to recruiting trained young men and women to teach salesmanship in the evening high schools. It was the first time Smith had seen with his own eyes a department store

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executive lending attentive ears to the suggestions of youngsters. And the merchants had a chance to size up the kind of material they banked money on.

Smith had been "over the top," so he was ready to roll up his sleeves and get to work, always under the eyes of the enterprising merchants. He was ready, too, for a little theory. His class-room study included a course in business ethics. Week after week a kindly professor, who had long ago discarded academic robes for actual business practice, lectured on topics dealing with the ethics of merchandising, the ethical responsibility of the employer and the employee, and the responsibility of the distributor to the consumer.

STRANGE as it may seem," Dr. Galloway said the other day, "the merchants backing the project were the first to insist that a course in business ethics be incorporated in the school's curriculum."

Another course deals with all phases of store organization. It traces briefly the progress of retail selling from the initial stages of barter and trade to its present highly specialized condition. Smith receives his first smattering in the organization of a department store, of a specialty shop, of a chain store, of a mail-order house. He receives a bird's-eye view of the duties of the executive, the organization of various merchandising systems and the layout of the publicity department, down to the humble duties of the department store janitor.

One morning each week Smith's class-room study consists of instruction in the use of the voice and pencil in sales-making. He learns of word values in selling an expensive fur coat to a lady who has "so much to spend."

"The voice with a smile wins," the instructor says, in pointing out the use of the telephone in sales-making. Smith learns that in closing a sale he must know just when to cease his flow of words and maintain a golden silence.

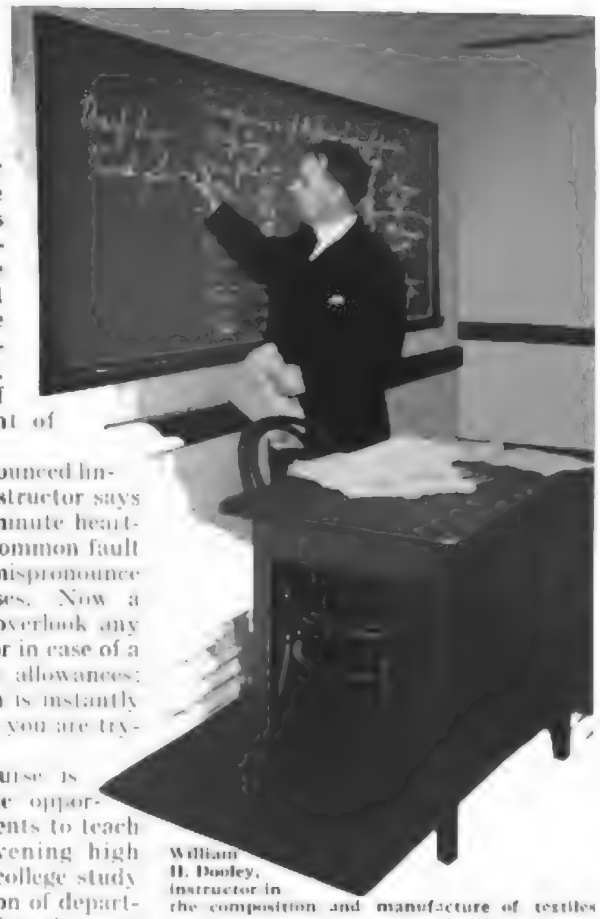
A visit to the "Language of Business" class reveals an interesting scene. Student teaches instructor. Smith is called upon to make a typical sales talk from the platform, and in turn the other members of the class are called upon to criticize his talk. The instructor carefully notes defects in the individual speeches, and at the end of the session he holds a five-minute conference with the students, pointing out errors of speech and misjudgment of popular psychology.

"I noticed you mispronounced lingerie, Mr. Smith," the instructor says during one of these five-minute heart-to-heart talks. "It is a common fault of retail salesmen to mispronounce foreign names and phrases. Now a particular customer will overlook any break in your language, for in case of a salesman she will make allowances; nevertheless her attention is instantly distracted from the goods you are trying to sell her."

The value of this course is further increased by the opportunities afforded the students to teach salesmanship in the evening high schools. A morning of college study combined with an afternoon of department store experience fits them to hand out worth-while ideas to future members of a department store sales force.

The underlying idea of the class-room study at the Training School for Teachers of Retail Selling is to teach the sales point of view. Therefore there is a course in general science, which serves to give the student a thorough understanding of the underlying principles of the construction and utility of articles used and sold in retail stores. Some day Smith will have to sell a thermos bottle to a customer who has to be shown, a fireless cooker to a woman who thinks she can get along with the old family stove, a vacuum cleaner to a farmer's wife; and he might as well learn the selling points of these articles while he has the chance.

For that same reason Smith and the twenty-nine other students of the school are taken in hand and shown the various intricacies of textile composition. If John Smith is ever going to sell a yard of silk successfully, or teach some one else how to do it, he will have to know how to hit the selling point, just as the advertising man has to do. He must study the various qualities of a piece of textile and then concentrate on something that makes the customer say, "I'll take it."



William H. Dooley, instructor in the composition and manufacture of textiles

Smith learns something, too, about the history, sources of supply, manufacture and use of leather goods, jewelry, silverware, rubber goods, woodenware, paper, paints, cutlery and furniture. For instance, he learns of the four processes in preparing leather for tanning: liming, dehairing, fleshing and soaking. He gets a good idea of the kinds of oils used in finishing leather and the effect of any given oil on the finished product.

AND here enters another important phase of the fifty-fifty theory practice program—perhaps the most important. If theory-practice is to benefit John Smith, the two must be properly co-ordinated. This interesting task of co-ordinating the different courses is handled by a woman—Mrs. Ima Winchell Stacy. Seven years ago Mrs. Stacy began her career behind a retail counter. She has been through every department of a modern department store organization, and, before coming to New York University to

Salesclerk's Rating Card

Name: John Smith Number: 12 Date of Employment: 9/27/19

Daily or Trayner Rating			Physical Fitness	Type max.	
Attendance at Classes	10 pts. max.	10	Appearance	5	4
Appearance	5 " "	4	Courtesy	5	4
General Intelligence	5 " "	4	Initiative	5	3
Interest	5 " "	4	Accuracy	5	4
Courtesy	5 " "	4	Interest	5	4
Accuracy	5 " "	4	Knowledge of Merchandise	10	4
Formation of Figures & Letters	10 " "	8	Knowledge of Systems	5	3
Ability to Figure	10 " "	10	Stockkeeping	10	
System Test	45 " "		Selling	20	
Total Rating			Make Up	20	
Recommendations			Total Rating		15

Sig. of Instructor Date

Approved by Date Recommendations: New York University

Passed by Date Signature of Examiner Date

Card showing how students are rated by store training departments

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Mrs. Irma Winchell Stacy (at left) helps each student to co-ordinate study and practice. With a smile and a word of advice she points out each person's shortcomings in salesmanship

assume her present duties, was educational director of Dayton's Stores, Dayton, Ohio.

Mrs. Stacy sees that while John Smith is learning about textiles in the classroom he does not lack opportunity to sell ribbons and napkins and Morris chairs in a department store. By this time Mrs. Stacy has studied the selling idiosyncracies of John Smith, and after assigning Mr. Smith to a Sixth Avenue department store she keeps track of him. She can tell by a glance at Smith's rating card, submitted periodically by the head of the training department of the store, that Smith is six points behind in a knowledge of merchandise.

"You'd better brush up on your textiles and leather goods," she tells Smith. "And while your ability to figure is one hundred per cent perfect, you are two points behind in a knowledge of system."

Mrs. Stacy spends most of her time in research work in retail establishments. During the Christmas shopping rush she spent her time as a member of a department store selling force. She interviews personnel heads of the retail stores, and she prepares charts indicating the student's progress.

During the two years Smith is required to attend the school, he is put through at least four different department stores, spending a school term at each. He gets his chance to "live" in a store where the trade is of the cheaper kind, ending up with a Fifth Avenue establishment, or vice versa. Mrs. Stacy saw fit to assign Smith to a Sixth Avenue store, and she informed Dr. Galloway to that effect. The latter saw that Smith became a member of that organization.

And here is where Smith had his first chance of mixing classroom theory with regular department store practice.

One bright day he found himself receiving his first cold reception in the managerial sanctum of a big New York department store. He had applied for his first "job," but that was not as easy a task as he at first imagined. Of course the college authorities had already arranged with the general manager of this store to absorb Smith into the system.

Smith found himself facing a large man, superintendent of the store.

"I am a student of the New York University Training School for Teachers of Retail Selling," Smith announced himself, with stress on the "university."

The superintendent looked him over curiously.

"Never heard of it," he grunted, turning heavily to his desk. "Nope, you can't get in here."

Smith indignantly said something about "questioning my veracity," but receiving no further satisfaction, back he went to see Dr. Galloway.

"The best advice I can give you is to go back and 'land,'" Dr. Galloway said. "You've made a mistake by seeing the wrong man. Go back and try to sell the manager on the proposition, and don't be afraid of another cold reception. I don't mean to be severe, but you'll find in the long run that life is not a bed of roses with a sympathetic college professor supplying the roses."

AFTER going through the various ramifications of job-getting, which meant faultlessly writing out his mother's maiden name on a long blank, and patiently waiting his turn while Mazie, who had decided to swap her job as telephone operator, had had her fling at the employment manager, Smith was in line for a week of "kindergarten" training in a modern department store organization.

And while he was under the wing of the head of the training department and a corps of affable assistants, Smith's college theory meant very little. He was a "green hand" and he had to be shown the way of selling Mrs. Shopper anything from a package of toothpicks to a valuable Turkish rug.

The first day in the training department was spent in a trip through the organization, visiting counters, elevators, stock rooms, ladies' writing rooms and recreation rooms; in fact, every nook and corner of the six-story structure.

A week of this and Smith was ready for his first selling experience. A hammer was thrust into the same pocket in which Smith had carried his college diploma and he was ordered, kindly enough, to get busy ripping nails out of huge plank cases. Oh, yes, for a whole long week Smith was an undignified member of the receiving department force, and by the end of the first day his back was quite undignified, too. But Smith took everything like a good sport, learning something of the fundamentals of a modern department store organization. Cap-and-Gown Smith rubbed shoulders with Grammar-School Jones, and it is surprising the amount of department store knowledge Jones conveyed to the "green hand."

Two weeks of that and Smith was ready for the marking room. Here he "brushed up" on the price of various articles. As a matter of fact, it came as second nature for him to appraise the monetary value of a certain retail article by the time he was ready to be graduated into the stock room. And here, for two weeks, he had his troubles as everybody's assistant. He began to think in terms of sugar, brass, pianos and bedding.

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Every Day is "Fish Day"

Quantity Production and Low Prices Enable a Boston Company to Sell in Inland Cities

By W. W. EVERETT

FRESH fish from the Great Lakes fisheries were selling in the markets of Pittsburgh not long ago at prices ranging from 25 to 50 cents a pound. Even at that price the supply was limited. High prices of meat caused many consumers to consider the advisability of eating more fish, but even fish was so high that the consumer could save little by the change. Consequently there was little increase in the demand.

Then came a day when the police in Pittsburgh were called on to preserve order in a swirling mob of basket-carrying men and women who crowded the market to buy fish, fresh and glistening—direct from the Atlantic ocean—at 10 cents a pound. Newspaper announcements brought out a crowd of fish-hungry consumers and assured success to a revolutionary movement in the fish industry. The difference between the lake-fish price of 25 to 50 cents and the ocean-fish price of 10 cents marked the amount to be sawed off the stilts of old Hi Cost-o'-Living.

Pittsburgh was not the only city where mobs came hunting for fish from the ocean. Detroit, Sandusky and many smaller cities in the lake region were receiving shipments and marketing the fish direct to consumers in the same way. News of the movement spread and many cities put in their bids for fish.

The whole idea started in Boston with the Bay State Fishing Company, which was getting back on its feet after loaning part of its fleet to the United States navy for mine-sweepers during the war.

By making large hauls off the coast of New England, this company quickly flooded the eastern market. The management decided that the only way to market the whole of the catches was to get the fish into the west and educate the people there to buy and eat them. To accomplish this result it was necessary to offer the fish at prices much lower than the price of meat; the price must be unusually low, in fact, because the ocean fish would be competing with fish from the Great Lakes.

The question of production was the least of the company's troubles, for the fish to be marketed inland were of the varieties that are caught cheaply and in immense quantities. By eliminating the middleman and keeping down the overhead, the company believed it could successfully invade the Great Lakes region. And it did.

Great quantities were shipped direct from the "catchers" to inland points to sell at 10 cents a pound. The consumer was waiting at the car door and the market platform. The trick was turned by the low price and the freshness of the fish.

THE varieties thus marketed were chiefly haddock, cod, pollock, hake, mackerel, herring and flounder. Some are seasonable varieties; others are in the market every day in the year. As the haddock is the most important fish of the Atlantic fisheries, with respect to quantity, it occupied a considerable portion of the space in the refrigerator cars shipped from Boston.

The company was assisted in many of the cities by the local newspapers, glad of the chance to boost a movement calculated to reduce the high cost of living. In Detroit, for example, the campaign was engineered by the Detroit News, which induced the Bay State Fishing Company to ship fish to Detroit to sell at not more than 10 cents a pound. The News, as its share in the movement, agreed to advertise and conduct the sales.

When the first shipment arrived in Detroit the car was met by 12,000 people. Not more than a third of them got fish. The next week the shipment was increased to three cars. The three cars were emptied in seven hours.

Local fish dealers began to ask for fish, agreeing to sell at the price of 10 cents. Shipments increased in size regularly until fish were coming to Detroit in special trains of ten refrigerator cars, each car containing 40,000 pounds of fish of assorted varieties. Six of the cars on the first special train were assigned to automobile plants—two each to the Ford, Packard and Cadillac plants. At the Ford plant a special shed for the sale was erected, scales were provided, and the place

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A trainload of fish just arrived from Boston to be sold in Detroit. The building in the right background is the Michigan Central station. Above, hauling in a well-laden net

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"Our June Expenses Will Be—"

Executives of the Duffy-Powers Company Consult a Chart and There's the Answer

By ROBERT M. McCABE

"LAST June our selling expense was only eight per cent," said the manager of the Robinson Department Store. "Advertising was three and a half per cent, our delivery was less than two per cent. Doing pretty well, I think, don't you?"

"Very good, indeed. What do you figure your selling, your advertising and your delivery will be in January?"

"January? Why, man, that's three months away. I can't tell you anything about January's expenses much before the tenth of February. We try to have all our totals in by that time."



"I'll stretch a point on expense to increase volume," says John Mench, managing director of the Duffy-Powers store, who is shown here at his desk. Whereupon he does both—stretches the point and increases the volume

This merchant, like so many others, didn't figure ahead on his expense. He was figuring behind all of the time. He couldn't stop June's expense in any possible way, because June had gone. He had no way of stopping January's expense, because he had no way of gauging January's expenses until they had become an accomplished fact. Then it was too late to do anything.

In February he could tell if January's expenses were too high, but he had no way of blocking them. The harm had been done; the money had been spent; the cart was ahead of the horse again.

On the theory that expense can be controlled from the front end—before it becomes a reality, a sad fact—the Duffy-Powers Company of Rochester, N. Y., worked out a budget system for its store prior to the first of January, 1919, and kept that budget in operation during the year. The results have been highly satisfactory in every way and the experience of working with, or against, an expense budget has proved that it is the most practical way to control department store expenditures.

In devising the expense control chart, every executive of the organization who would in any way have anything to do with the spending of money was called into conference. Each executive head was instructed to estimate what it would require to run his particular branch of the business during the first six months of 1919. He was to base his estimate on what previous years had required, and he was not to make any unreasonable or impossible estimate, either up or down.

The expense control plan was worked out on the theory that it would be no good if it were in any way impossible of accomplishment. It had to be done within reason, and all fair necessary expense had to be taken into consideration. The managers of that store did not wish to fool themselves and establish expense provisions that were impossible. All such standards of practice, of course, must be based on anticipated business volume.

THE result of these conferences in which the office manager, the controller, the advertising manager, the superintendent, delivery superintendent, head of research department and other executives took part was the development of two expense charts, each for a six months' period. The percentages allowed were not, of course, mandatory. They merely established a target at which to aim.

It was deemed best to establish expense control plans only for a six-months' period, because of business conditions. Expense in percentages is largely controlled by volume, anyway, and it was considered that a steadily increasing volume might work drastic changes in any expense plans in a one-year period.

Both of these charts are reproduced herewith to illustrate just how these expense control plans were developed.

Referring first to Chart No. 1, "Standards of Practice for Expense, Spring, 1919," one will note considerable variation in different expenses from month to month. For example, it will be observed that the advertising expenditure for January was 3.22 per cent of the gross volume of business anticipated. This is explained by the fact that January is not a large volume month in Rochester stores. A very extensive advertising campaign had been planned for January, and it was considered that the addition of one-half of 1 per cent more in advertising might materially increase the volume of business, while not in any way increasing the standard overhead.

It was gratifying to the store management to find at the end of January that the advertising appropriation of 3.22 per cent was not necessary, as the volume of business so far exceeded the estimate that the total for advertising fell considerably short of the amount estimated as necessary.

The item of "Trading Stamps" was a fixed expenditure. Regardless of the volume of business done, this expenditure always stood. The estimate for decorating in January was a little more than the normal, but not as large in dollars and cents as in many other months of the year, while larger in percentage. This, of course, was due to the volume of business done. Stores usually did not go in for very elaborate window or interior decorations in January and this was considered when the estimate was devised.

Delivery, while regulated greatly by the volume of business done, nevertheless is materially affected by weather conditions. In Rochester January is usually a month of cold, stormy weather, heavy snows and slushy streets. Logically, delivery under such conditions is a much bigger expense than it is in fair weather. This is apparent in the chart when the reader contrasts the delivery estimate for January with that for March, May and June.

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Weather conditions also materially affect the cost of heat, light and power. It is logical that the dollars-and-cents expenditure for this group will be much higher in midwinter than in spring, summer and fall. It will be noticed that the estimate for these expenses goes down as summer approaches.

Selling is considered almost a fixed charge. The percentage bonus system in operation in this store practically governs the selling cost. The management expects to spend a certain amount each month for selling, and usually it varies but little, although during the months of exceptionally high volume the percentage cost of selling comes down. This is apparent in months like October, November and December. There have been months in this store when the selling expense was a little below quota, but for the year it averages up to about the estimated yearly total.

The appropriation for buying is governed largely by the volume of business done, the seasons, the frequency of the buyers' trips to market, etc. In January and February, months of lighter business volume, the percentage naturally is high. As the store goes into the spring season, it gradually comes down, hitting its minimum in the fall months of the year when the volume of business touches its peak.

CHARGES such as cleaning, insurance, telephone, repairs, bureau of adjustments, receiving room and similar nonproductive departments vary from month to month about in accord with the volume of business. Where the dollars-and-cents charge is practically fixed, the only variation in percentage that can be made is made by the volume of business.

General wages, including those paid to all employees not directly engaged in the selling end or the executive office, vary somewhat with the season of the year and are materially affected by the sales. General wages, charged to such departments as carpenters, decorators, receiving-room markers and floorwalkers, are controlled by the requirements of the business—sometimes more and sometimes less. This section fluctuates considerably.

The "miscellaneous expense" section of the chart, comprising stationery and printing, store necessities, such as wrapping paper and the like, is governed pretty much by volume and by conditions. Some months the expenditures naturally run over the limits, like the month in which a large quantity of sales books are bought, only to be lowered during the month when but little goes out for such supplies. The percentage fluctuates with the volume of business, and with the especial month's requirements. At the end of the year when the total is struck, it will be found that the average costs here are about as provided—or would be, were they divided over the different months.

"Interests and reserves," of course, are fixed items of expense. Here again the much-mentioned volume has control, the item fluctuating as the volume of gross sales comes up and goes down.

Getting back to the item of advertising, which, in the Duffy-Powers store, as in most forward-looking stores, is the most important expenditure, the percentage allowed always is large enough to take care of any emergencies that may arise in the way of special sales events. It is a fixed rule in that store that advertising expense is the last expense to be cut down.

It is always figured that if 1 per cent more in advertising will increase the sales from 10 to 25 per cent, then it is a good plan to spend that extra 1 per cent. It is argued that all other expenses go along just the same, anyway, and if a little more advertising will get more business, then it is a good plan to spend a little more for advertising.

STANDARDS OF PRACTICE FOR EXPENSE SPRING 1919

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
ADVERTISING	3 22	3 69	2 85	2 35	2 45	2 60	2 79
TRADING STAMPS	2 00	2 00	2 00	2 00	2 00	2 00	2 00
DECORATING	58	66	51	42	44	47	50
DELIVERY	1 16	1 33	1 02	85	88	94	1 01
HEAT & POWER	1 36	1 55	1 02	71	73	78	97
ELEVATORS	29	33	26	21	22	24	25
OFFICE	1 12	1 29	1 00	82	86	92	97
SELLING	6 00	6 00	6 00	6 00	6 00	6 00	6 00
BUYING	2 26	2 60	2 00	1 67	1 73	1 77	1 96
CLEANING	64	74	57	47	49	52	56
INSURANCE	22	25	20	17	17	19	20
TELEPHONE & TELEG	14	17	13	11	11	12	13
REPAIRS	77	88	51	29	29	31	48
BUREAU OF ADJ	16	18	14	12	12	13	14
RECEIVING ROOM	22	25	20	17	17	19	20
SUPTS OFFICE	77	89	68	57	59	63	67
EXECUTIVE OFFICE	1 29	1 47	1 14	94	98	1 05	1 19
MAIL ORDER	06	06	04	04	04	04	05
GENERAL WAGES	39	44	34	29	29	31	34
MISCELLANEOUS	2 71	3 11	2 39	1 99	2 15	2 19	2 35
INTEREST & RESERVES	2 32	2 66	2 04	1 70	1 76	1 88	2 02
TOTAL	27 68	30 57	23 04	21 89	22 47	23 28	24 71

DUFFY POWERS CO
ROCHESTER, N.Y.

STANDARDS OF PRACTICE FOR EXPENSE 1919

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
ADVERTISING	3 13	3 00	3 00	2 50	2 50	2 25	2 62
TRADING STAMPS	2 10	2 10	2 10	67	55	41	1 07
DECORATING	34	35	30	28	27	20	28
DELIVERY	59	62	53	39	32	35	43
HEAT & POWER	84	88	75	61	49	50	63
ELEVATORS	34	35	30	27	22	17	25
OFFICE	93	97	82	62	52	39	63
SELLING	5 38	5 60	5 25	4 50	4 00	3 75	4 51
BUYING	2 35	2 48	2 10	1 48	1 37	1 04	1 65
CLEANING	47	50	42	31	25	19	32
INSURANCE	20	21	18	14	11	08	14
TELEPHONE & TELEG	13	14	12	09	07	06	09
REPAIRS	42	42	40	35	32	29	35
BUR OF ADJUSTMENT	13	14	12	09	07	06	09
RECEIVING ROOM	22	23	21	16	13	10	15
SUPT OFFICE	71	74	63	50	42	35	51
EXEC OFFICE	101	106	90	67	54	41	68
GENERAL WAGES	74	78	72	56	49	47	57
MISCELLANEOUS	3 36	3 54	3 00	2 25	2 01	1 73	2 42
INTEREST & RESERVES	2 02	2 12	1 95	2 70	2 55	2 42	2 36
TOTAL	25 41	26 29	23 80	19 34	17 22	15 16	19 75

In compiling these charts of standard practice, the auditors of the Duffy-Powers store estimated the monthly volume of gross business for six months. Then they estimated the monthly expense—in dollars and cents—of doing the estimated monthly business. Dividing the sum for expense by the sum for business reduces the expense to terms of percentage.

The figures in the "total" column were obtained by dividing the expense for each six months' period by the estimated business for the same period. In other words, the total is a unit, and not an average.

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Fireflies of Retailing

Modern Stores Call in the Electrical Expert and Find that Good Lighting Promotes Sales

By W. LIVINGSTON LARNED

WHEN the executives of the Woolworth chain planned to put five- and ten-cent stores on aristocratic Fifth Avenue, New York, and brilliant Broadway, a merchandising expert who was called into conference made this significant statement:

"One thing must be done: your windows should be the brightest on the street, and your interiors should match them. The other stores have a distinct advantage to begin with, both in the matter of prestige and quality of goods sold, but for all the improvements that have been made, merchants, big and little, are still primitive when it comes to lighting. And here the five-and ten-cent shop can put it all over its important competitors. With the approach of winter, when night settles by 5 o'clock, your windows must be lighthouses in the darkness. Then consider, too, the dull, dark, rainy days—and there are a great many of them. Electricity can establish the Woolworth idea in a month."



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Evening scene on Fifth Avenue, New York. Note the illumination of the upper show windows

Executives accepted this suggestion. Inside and out, the Woolworth stores of the more pretentious type are ablaze with welcome. It is no exaggeration to say that the window lighting has established a new high standard on Fifth Avenue. The remarkable part of it is that the source of illumination is nearly always concealed. It is necessary for such window displays to be lighted with peculiar ingenuity, for the merchandise is made up of innumerable small units—homely, ruggedly wrought and unassuming. Light must not emphasize their homeliness. There is as much art in lighting and dressing a shop window as in setting a stage. There is psychology in it.

Woolworth stores, realizing the ever-increasing importance of the part that light plays in merchandising, employed, of course, a "lighting engineer" to settle upon a definite policy. Every central station has, or should have, one man who makes a scientific study and specialty of the lighting wants of Business Street. It has also come to pass that electrical fixture stores employ or are in territorial touch with an expert who knows what is best in lighting equipment for the butcher, the baker and the candlestick maker.

He is not a mysterious unknown. Merchants should realize that this man is distinctly at their service. He may be called into conference at any time. He will make rough pencil layouts of window and store lighting and bring along interesting equipment fixture books. It is not hit-or-miss work.

Ten years ago few merchants gave consistent thought to the lighting problem. They knew that so many bulbs would cost so much and give a certain definite amount of illumination. What these fixtures were or how they were arranged came in for no vital consideration.

The lighting engineer has put a stop to this sort of rather stupid short-sightedness. He comes to the merchant with the argument that a well-lighted store and well-lighted windows are a part and parcel of success. Electricity is a member of the sales force.

Manufacturers of electrical apparatus appreciate the importance of the subject, and exhaustive treatises are prepared, not on occasion, but regularly, month by month, as improvements come from the minds of inventive genius. Not long ago the General Electric Company, of Schenectady, issued a wonderful bound book on Light and Merchandising. It was compiled by men who went from coast to coast, and from laboratory to laboratory, on a quest for first-hand information. And to coax the merchant of rather indifferent nature to read and to profit, the author wrote for a preface an entertaining history of lighting. From the day when fagots were ignited and placed in iron baskets on up through the centuries, this narrative ran, culminating in a description of modern equipment.

And just to clinch the argument and to further stir civic pride, he touched upon street lighting, suggesting that a well-lighted community attracts trade quite as surely as do well-lighted shops. The book has had a wide circulation, and is one of many that have been issued to encourage interest in a vital topic.

For, as incongruous as it may appear, merchants still think of light in stingy terms. They assume that a cluster of bulbs is about all that can be said or done on the subject.

A VISITOR in a very small Florida town, piloted about by a member of the Chamber of Commerce, stood amazed in the doorway of the local electric fixture shop. There were long tables filled with a bewildering array of articles; there was a dummy window for demonstration purposes, and one small room in which bolts of cloth and other merchandise had been placed, and the store proper was filled with a soft yet radiant light.

"How can such a small town support such a large and progressive electrical shop?" the visitor demanded, visibly impressed.

"The Chamber of Commerce is responsible for this piece of enterprise," was the answer. "We figured that the

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post office took first place, then a court house, and next an electrical shop that would set a good example to every merchant who moved in, as the town grew. We determined, moreover, that it should be the best of its kind in the state and financing was arranged to this end. It worked out as we had hoped. This place has been an inspiration to all merchants, both here and in the adjacent villages. They have been brought up on smartly modern lighting equipment, I might almost say. This shop was always under their noses, and we brought a splendid lighting engineer down from Atlanta to take charge.

"A sort of friendly rivalry sprang up among the storekeepers, one vying with another, and in consequence this little township down at the extremity of the United States is better lighted, store for store, than many a much larger place. I think these problems depend, in their working out, very largely upon example set and civic pride, stimulated in one way or another. I can say this for us: there are larger towns in this county with greater shopping area, but hundreds drive over here, in preference, because of the very looks of the stores. We do a rushing business after sundown and up to the very hour of the usual closing."

It is doubtful whether the average merchant ever takes the trouble to look through the electrical shop in his own community. He is therefore years behind in his knowledge of the new things on the market and the clever inventions devised for his benefit.

Department stores, recognizing the necessity of displaying goods under the most favorable and natural circumstances, have what are known as "evening rooms" and "daylight rooms." When a woman wishes to examine merchandise, an evening dress or its accessories, for example, she may look at them in a neat room, so lighted and so furnished that the conditions under which the goods will be worn are exactly imitated. For dark and dreary days or the early fall of darkness during the winter months, there is another exhibition place, fitted out with special incandescents that throw a peculiar whitish light, cleverly matching sunshine.

THIS installation is not expensive nor is it confined to the very large stores; the most modest establishment may easily install it. Another modern silent salesman is a battery of wall cabinets, completely enclosed in glass. Goods displayed here range from millinery to toilet articles, and small, hidden, overhead bulbs may be turned on at will, in each individual cabinet. Thus a saving is possible, for the lights need be turned on only when a customer is examining the goods. There is a fascination and a compelling sales power to light—there can be no doubt of that—and this need still exists throughout the daytime. Few stores, indeed, have lighting possibilities direct from the greatest Mazda of all, the sun, to illumine properly the far corners of all floors. Light touches merchandise off with an added lustre, an added luminous and glittering attraction.

It is really remarkable, when one looks back but a few years, what rapid and innovational progress has been made in store lighting for the merchant. He may not be aware of it, but there are specialists who study the question from every possible angle. The most striking improvement of all is the "hidden luminant," or arrangement that achieves perfect and quite brilliant illumination indirectly. No bulbs or fixtures are visible. Deftly concealed by overhead cornices or tucked in flanged wooden gutters, they throw a diffused light, without glare and without tendency to detract attention from the merchandise. One almost forgets that the store is lighted artificially.

Engineers have also worked out ingenious shades and reflectors which, while artistic and pleasing to the eye, have a magic influence on light distribution. The Ivanhoe-Regent Works, of the General Electric Company, are noted for their experiments in reflectors for stores. The new Ivanhoe unit is made of one piece only, is an overhead reflector, and solves a difficult problem. Since it consists of a single piece, there are no openings where dust could gradually sift in; it is practically a "self-cleaning" fixture. The upper surface, the outer edge and the bowl underneath are covered with white enamel, thoroughly fused on the glass. This enamel is very dense on the top surface and less dense on the lower portion, projecting most of the light upward, a factor which eliminates glare and cross reflections, and thoroughly diffuses light into the working plane.



Above, a Woolworth five- and ten-cent store window, showing how the right kind of lighting system accentuates the detail of a mass of small merchandise. The new Woolworth store boasts the most brilliantly-lighted windows on Fifth Avenue. Left, a skillfully-lighted shop window. The light is diffused from concealed pockets.

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In each of the glass-enclosed cabinets in this picture there is an individual lighting fixture that may be turned on and off at will

Where stores have open doorways that face the street, large ceiling lamps have attracted bugs and night insects of many kinds. Insects and dust combine to make the cleaning of fixtures a tremendous task. The newer ceiling lamps are therefore made in one piece, and require cleaning once in six months instead of once a day.

BUT it is in the mastery of glare that the lighting engineers have performed one of their chief services to the storekeeper. An illumination too bright is almost worse than none at all. When a customer is compelled to swing a piece of merchandise from one side to the other, hold it this way and that, and perform gymnastic feats to arrive at a satisfactory conclusion concerning it, you may be certain that Old Bugaboo Glare, coupled with cross-shadows, is at work. The modern store is now supplied with patent, adjustable counter lamps, turned on only when wanted. One of these works on an elastic standard, and can be placed in any position, no matter how capricious the customer. For such articles as neckwear, jewelry and fine linens, these throwers of imitation daylight are sales agents par excellence.

There is a little man of a scientific mind in the experimental station of a vast electrical accessory enterprise, who has been trying for thirty years to create a light that may not be distinguished from daylight. He comes nearer every year or so; then an entire line of lamps is changed and the merchandising and advertising are revolutionized to conform. He has not given up. His hair is grey and his hands sadly burned from chemicals, but he smiles when you visit him in the laboratory, and says: "It will come. And then there need be only daylight in all stores, through dark days and stormy, through summer and winter. I know how merchants need it; that is why I am so eager to strike it."

Many shops employ a clever idea—that of placing art lamps on show cases, tables, shelves, and even as standing luminants in aisles. The effect is extremely artistic, for the shades are of wide variety and appealing design. At the first approach of darkness these soft lights are turned on and the store acquires a cosy, snug appearance that could be achieved in no other way. A New York jewelry house experimented with a dozen or more overhead and counter lighting schemes before the best combination was hit upon. A salesman employed there states that sales increased with the increase of lighting efficiency. The two are inseparable.

Has it ever occurred to you that the lighting system of a restaurant might influence trade, one way or the other? A corporation conducting a chain of large city self-serving restaurants thought, at first, that very brilliant light would be best. Unprotected luminants were suspended from the ceiling in great clusters and the place was as bright as day—brighter, some people thought. Investigations a month later developed the fact that people were shunning this restaurant because of the glare. It "put them in the limelight" too much, as it were. They felt conspicuous while eating, and therefore self-conscious.

Immediately the lighting system was changed. Reflected lights were put in, and the entire illumination was keyed down to a soft, pleasing tone that corrected the inherent merchandising condition. Trade picked up at once.

The show window of today is really a creation of great artistic beauty and charm. In the store that is strictly smart and modern no bulbs are permitted to show. They are concealed from the passerby and illumination appears to come from an invisible source. A well-known window dresser says: "I do not want people to think about the lighting of the window; I want them to be entirely unconscious of it. Then they will concentrate on the goods." And he is right.

BROADWAY, known as the Great White Way, is famous chiefly for its light. People have an affinity for the glow of the Mazda. We are all moths by instinct. There are 365 days a year, and some merchant of a mathematical turn of mind declares that at least 50 per cent of them are glooms. Winter rolls up the score and cloudy skies patch up the loose ends. It is then that the lighting equipment becomes a vital issue. A merchant's closing hour has nothing to do with his need of modern lighting. On the brightest days the pressure of a button or the pulling of a socket chain in some dark corner spells good salesmanship and a satisfied customer.

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Back to the Virgin Wool

How One Manufacturer Meets the Popular Demand for Honest Fabrics and Clothing

By GEORGE D. BRIGGS

THE CUSTOMER'S right to know what he is buying is now recognized and must be respected. If a man, for instance, buys an automobile he has a right to ask whether the tires are made of virgin rubber or of reworked rubber, and to expect a truthful answer. If a woman buys a silk waist she has a right to expect that the salesperson will inform her of the fact if the material is made of artificial silk rather than genuine. If a man buys a suit of clothes he should be informed of the fact when the fabric contains shoddy, and not be permitted to believe he is buying a fabric made exclusively of virgin wool.

The manufacturing of woolen fabrics is an intricate process that admits of unusual skill and judgment in selecting and blending raw materials and fabricating these materials into cloth. By extra cost, skill and thoroughness, the fabric manufacturer can put into a woolen fabric a vital something which will give the fabric extraordinary qualities of worthiness and durability.

Science knows no test, however, that prior to service can reveal whether this vital something has been put into the fabric. Therefore, unless truthfully informed by the fabric manufacturer, neither the retail nor the clothing manufacturer can know whether a fabric is worthy and will meet the test of service.

Furthermore, unless truthfully informed by the fabric manufacturer, neither the retailer nor the clothing manufacturer can know whether the cost of making the fabric has been cheapened by the use of all-wool shoddy, the material that is used in vast quantities by fabric manufacturers.

In a recent public announcement a well-known clothing merchant made the following significant statement:

"But profiteering is another thing; it charges more in proportion to cost than a fair margin; or worse, it charges more for merchandise that is not up to grade. That is the meanest form of profiteering."

Unless the purchaser knows whether a fabric contains shoddy, he is at the mercy of the thing which this clothing merchant describes as "the meanest form of profiteering."

In his annual report at the close of 1918 the secretary of commerce, in referring to the Bureau of Standards and its work, emphasized the fact that the average buyer, whether in connection with business or personal purchases, lacks facilities for analyzing and testing merchandise, and is thus denied accurate knowledge concerning the merit of goods purchased.

The public now clearly recognizes that the retailer's function is distribution, not manufacture, and since the retailer does not manufacture the goods he cannot however good his intentions—assure the worthiness of the product.

People know by bitter experience that the best the retailer can do is to guarantee "money back" when goods prove unworthy. While in principle the "money back" policy may seem fair, it has proved inadequate for three reasons:

1. "Money back" does not compensate the customer for the inconvenience, annoyance and loss of time caused by unworthy fabrics.

2. "Money back" cannot assure the purchaser that goods are worthy; and it is this assurance, rather than the promise of money back, that people want.

3. "Money back" does not protect the reputation of the retailer, because the majority of dissatisfied customers never return, and the retailer has no opportunity to make good.

People therefore are determined to know the maker of the product so they can identify and obtain at will the product of those manufacturers who possess ideals, standards and capabilities, and steer clear of those manufacturers who are deficient in these essentials. Permitting the public to know who made the product will also be a distinct advantage of retailers and distributors with reputations for integrity to maintain, because it will relieve them of responsibility and free them from suspicion.

THE public has also awakened to the fact that the unrevealed presence of a substitute in a product inevitably does two things:

1. Decreases the production of the genuine, because it imposes unfair competition and that boosts prices.

2. Permits and promotes profiteering by placing the purchaser completely at the mercy of the seller— and this not only boosts prices, but lowers quality.

Here we have an inexorable law, and we can no more violate it and escape economic disaster than we can place our hand in the fire without being burned. Selling shoddy in fabrics and clothing without letting its presence be known has, by strangling sheep husbandry, dealt a severe blow to one of the world's most essential industries, and thus by greatly reducing the production of virgin wool has imposed great hardship upon the public. The cause of the present high prices and poor quality of clothing and fabrics originated in this pernicious practice of selling shoddy without letting its presence be known.



From sheep's back to man's back

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It was in consideration of these obvious truths that Strong, Hewat & Company, Inc., of New York City, launched an advertising campaign based on the fact that this concern brands its woolens and accepts full responsibility for their performance.

The test which Strong, Hewat & Company, Inc., have applied in determining their advertising plan is the following:

"Does the proposed plan of action rest on a solid foundation of truth, and is this line of action best calculated to meet the vital needs of the people and the trade?"

The line of action dictated by this test has been followed, even though it was unconventional and in conflict with the ideas and aims of the orthodox. Investigations made by Strong, Hewat & Company, Inc., prior to starting their advertising campaign, revealed that leading retail clothiers of the country agree that the greatest menace to which the retailer's reputation is subjected is the menace of unworthy fabric. The investigation further emphasized the importance of the truth that the manufacturer alone can know, prior to service, whether a fabric is worthy.



UNDERWOOD & UNDERWOOD

A centrifugal drying machine for drying wool before it goes to the mills

THAT the idea behind the campaign is sound is abundantly proved by the reaction on the part of the public and the trade. The following appeared in the Daily News Record, June 17, 1919:

The activity and success of Alexander Walker, vice-president of Strong, Hewat & Company, Inc., in bringing before the public, the sheep and wool industry and the textile and clothing industries, his persistent efforts to secure the honest labeling of wool textiles, undoubtedly focused the attention of the officers and directors of the National Sheep and Wool Bureau on Mr. Walker as the logical man for the leadership of the bureau in the constructive program that is being formulated for rehabilitating sheep husbandry.

The campaign has provoked favorable editorial comment from such newspapers as the New York Tribune, New York Globe and Chicago Herald and Examiner. The keynote of the article in the Tribune is suggested by the following paragraph:

The public's misunderstanding of the trade term "all wool," used in connection with fabrics, forces the sheep-raiser to compete with the rag man.

The following is from an article entitled "A Venturesome Campaign," which appeared in Printers Ink:

If this movement develops as many think it will, it means that the woolen mills will have to trade-mark and advertise their fabrics on a scale that no one would have been foolhardy enough to predict a few years ago. Already one old and conservative house in this field, Strong, Hewat & Company, Inc., has started a campaign that has set all of the tongues of the industry wagging. In announcing its new policy this company declared:

"Hitherto mills have declined fabric responsibility. The clothing manufacturers and retailers have thus been forced to accept and carry the burden and responsibility which rightfully belongs to the mill.

"This acceptance has put the question up to the ultimate consumer, because the fabric service test is the real test—and so the real test is up to the wearer. That is all wrong. The responsibility belongs to the mill.

"The Strong-Hewat definite and permanent publicity of their standard and of their responsibility will keep continuously before the trade and the public the full significance of their trade-mark, and will permanently give assurance that the reputations of all those who sell clothes made from Strong-Hewat Virgin Wool fabrics are protected absolutely."

Men are now buying clothes on the strength of the manufacturer's label and the dealer's reputation. But all three, consumer, dealer and manufacturer, are largely dependent on the integrity of the fabric. Particular manufacturers are careful to buy from a mill on whom they can implicitly rely. Why not, therefore, let the mill get its label into the channels of distribution and make the job of judging good clothes easier for dealer and consumer?

Manufacturers, too, appear to be swinging around to this view. Alfred Decker, of Alfred Decker & Cohn, got up at the Iowa Retail Clothiers' Association Convention the other day and said the wool maker's label should appear on every suit. He announced that he was going to do this on Society Brand Clothes hereafter.

Some of the prominent clothing manufacturers are already using the Strong-Hewat label on the finished product. A number of the leading clothing manufacturers have requested and are using the Strong-Hewat label on their swatches, so that the retailers will know which are the Strong-Hewat fabrics. Wholesalers of high-class woolen cloth are also using the Strong-Hewat trade-mark on the Strong-Hewat fabrics they sell.

Another interesting feature is this: high-class retailers who for many years have vigorously supported a policy which prevented the use of the manufacturer's trade-mark in their display windows, have used the Educational Window Exhibit—an exhibit which includes the Strong-Hewat trade-mark display sign and which comprises part of the system of dealer helps which Strong-Hewat & Company, Inc., provide for the dealers who sell clothes made from Strong-Hewat Virgin Wool fabrics.

The following is part of a news item that appeared in a newspaper in Battle Creek, Michigan:

Maas & Co. Co-operate in Nation-wide Campaign for Better Fabrics

In line with a nation-wide campaign that is to be pushed by the National Sheep and Wool Bureau to foster the sheep-raising industry.....M. Maas & Son are this week giving an educational display in the windows of their clothing and men's furnishings store.

The display is shown in co-operation with Strong, Hewat & Co., Inc., of New York, manufacturers of virgin wool fabrics.

M. Maas & Son, in a letter to Strong, Hewat & Company, Inc., said, in part:

"We had the window in for a week, and will say that it was certainly a wonderful showing and asset to the store.

"We would like to have a window display card showing that we are strong believers in your methods of doing business, calling the public's attention to Virgin Wool."

IT has not been the purpose of Strong, Hewat & Company, Inc., by consumer advertising, or by any other means, to attempt to force distributors to do anything that they do not feel impelled to do voluntarily.

The plan has been, first of all, to explain the company policy and purpose to distributors of its fabrics, including fabric wholesalers, clothing manufacturers and retailers, and by every possible means to co-operate with all factors of distribution to the end that a more satisfactory service might be rendered to the man whose good will we all want—the ultimate consumer.

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Stoves, Pins and a Map

Every Red Pin Represents a Satisfied User, So the Stove Map Backs Up the Selling Talk

By WILLIAM C. SPROULL

ON THE second floor of the Heckler Brothers store in Pittsburgh, Mrs. A. M. Burton, who has come to select a range, finds herself surrounded by ranges. Her eye is attracted by a neat little range at $53.75. The $41.75 range is almost as good. The $77 gas and coal range is a little beyond her means. She just doesn't know what to do.

"I'll think it over and let you know which one I decide upon," she says.

Then the Heckler salesman—usually it is one of the four Heckler brothers—puts up a selling argument that few firms can beat.

"Mrs. Burton, perhaps you would be interested to know what other people in Pittsburgh are using. Just glance at this map of Allegheny county for a minute. The pins on this map show the number of homes in which we have installed ranges.

"Yes, there are a lot of pins there. But you will notice that the red pins slightly outnumber the green pins. This one section of the map, you see, is covered with red pins. Now each red pin on that map represents one No. 80 Heckler gas range. The green pins represent all other types of gas ranges we have sold in almost six years.

"That's it—more of the red pins than of all the others put together. In certain sections, you will notice, word apparently has been spread around that this range is a winner. As a result our map is turning red. Now, as I was showing you, this No. 80 Heckler gas range is equipped with five burners and it— "

Well, Mrs. Burton is soon signing the little order slip for the $53.75 range—almost without looking to see that it has five burners and aluminized steel oven linings. The majority of the range buyers use this one range. It must be good. She wants one, too.

Scarcely a day goes by in the Heckler Brothers store on Liberty street that the map does not help to close a sale for the No. 80 Heckler gas range. It has been in place—kept up to the minute—since April, 1914, when Heckler Brothers moved to Pittsburgh from Sheraden. While this map is getting in its good work another is boosting the sale of Heckler furnaces. On the furnace sales map, the territory adjacent to Pittsburgh is almost covered with red and green pins. In this instance the red pins represent gas furnace installations; the green, coal furnaces. This map dates back to 1906, when the city first heard of Heckler furnaces.

These maps help to close the deal when the customer gets into the store. An even more interesting part of Heckler Brothers' furnace and range sale campaign is the methods employed to get customers into the store. In this work the "wide-awake hardware hustlers" prove their right to the title.

In Sheraden direct-mail advertising proved successful. In a city the size of Pittsburgh it was found to be too bulky. "Heckler Furnaces Make Warm Friends" is the Heckler slogan; so it was decided to let these warm friends find new warm friends for the store. At least, the customers can "nominate" the new warm friends. Then it is up to the salesmen to see that the order is landed.

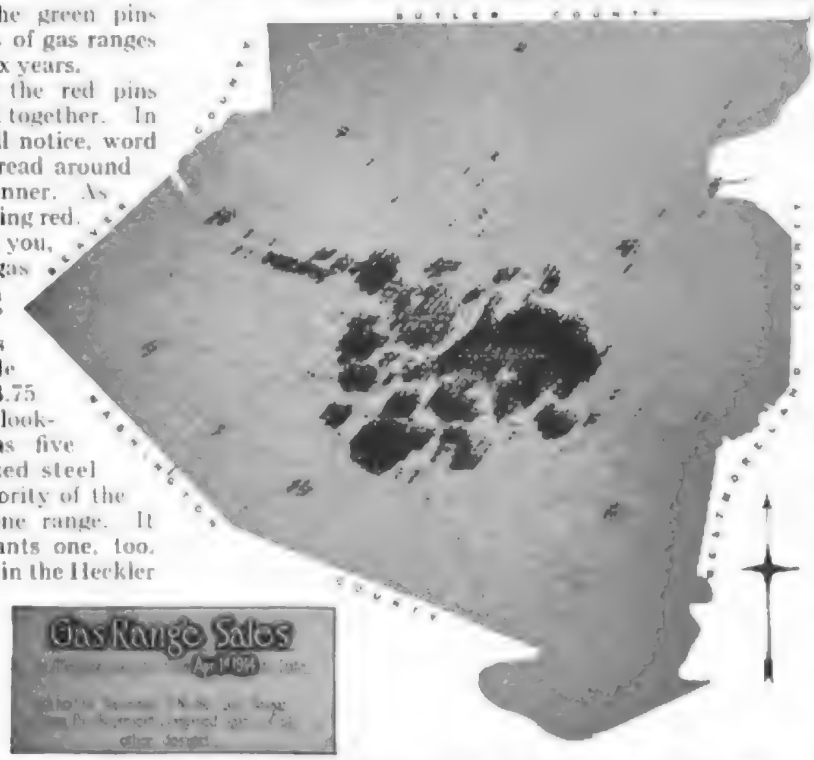
The plan consists of offering to users of Heckler furnaces prizes for sending in the names of their friends or neighbors who might be interested in Heckler furnaces. To get these satisfied customers to send in the names of real "prospects," not "suspects," the firm makes the prizes worth while.

PLANS are laid well in advance. Plans for last summer's campaign, for example, were laid last spring, when the brothers compiled a list of all persons who had bought Heckler furnaces in the previous six months. Then they sent to each person on this list a circular offering him, "absolutely free," a Liberty Bond box if he would return the circular with the name of at least one good prospect. These boxes were obtained in quantities at a cost of approximately $2 each.

"We would rather have the name of one good prospect than ten 'suspects,'" the circular read. The circulars came in—a few of them with one name, more with five to ten names. In the space left for remarks under the list of names many wrote valuable information about the prospects. The boxes were sent as agreed. The salesmen "came across" with their end of the big campaign.

In 1918 the gift was a genuine leather bill fold. This year the reward will be some other useful article of recognized value. By offering such articles Louis J. Heckler, who has charge of advertising and furnace sales, says they are able to get valuable names.

As these names are obtained in the spring the salesmen have their work lined up for the summer. Salesmen are authorized to offer 10 per



Photographic reproduction of Heckler Brothers' map of Allegheny County, Pa. Each pin on the map represents a user of one of Heckler Brothers' gas ranges. In the Pittsburgh territory the pins are crowded so closely together that they almost create the impression of a mass.

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cent discount for summer installation.

Heckler salesmen are mistaken for no other salesmen. They drive "flivvers"—but each hood is transformed into a miniature furnace. On the side of the furnace is written the slogan, "Heckler Furnaces Make Warm Friends."

A salesman drove up to a filling station in East Liberty one day while a doctor was waiting to get his car filled. He saw the "furnace-flivver," smiled, then yelled to the salesman. "Does that furnace burn gas?"

"Yes; gas or wood, but not gasoline."

"What kind of a furnace is it?"

"The one you see is an imitation of the best furnace on the market today—a Heckler furnace."

"Well, I am just building a couple of houses south of——"

The salesman made an appointment. The next day the doctor signed a contract to equip both those houses with Heckler furnaces.

Louis Heckler was out in the country one day in one of those "flivvers." As he drove out from a farm house he was hailed by Mrs. Minturn, of the house across the way.

"Are the Stevens getting a furnace?"

"Well, not just at present," Mr. Heckler replied.

"I was just wondering if they were going to beat us in getting one."

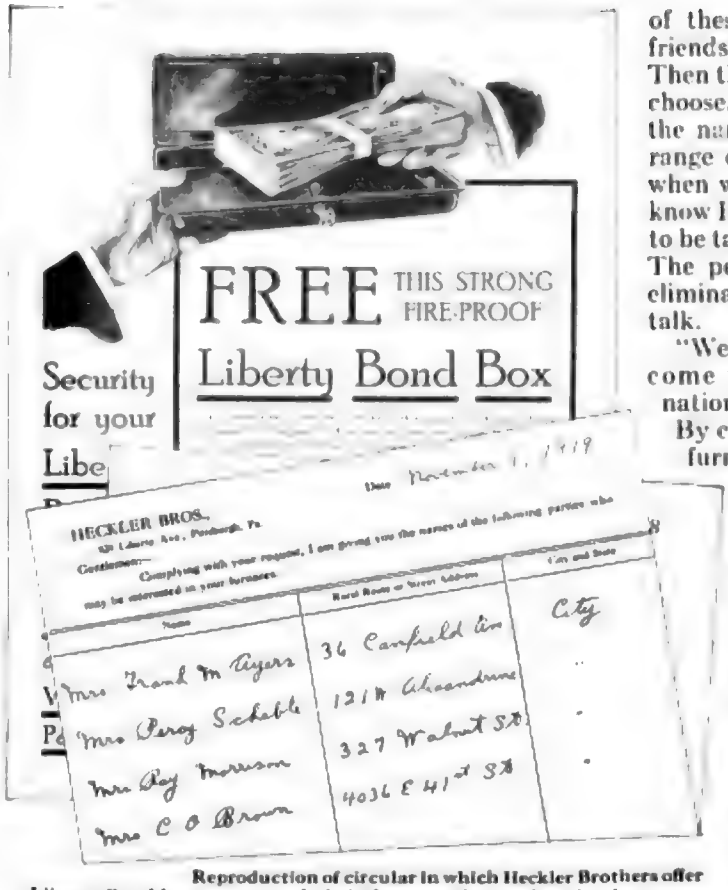
"Not if you hurry—but are you thinking of getting one soon?" Mr. Heckler asked.

"We hope to put one in our new house next spring, if we build."

A tip like that started Louis Heckler to talk business. The next spring the new Minturn home was equipped with a Heckler furnace.

From the time the Heckler Brothers warned Pittsburgh to "Get Wise—the wide-awake hardware hustlers are moving to town," the four boys never have passed up an opportunity to put in a good word for Heckler Brothers. In Sheraden they adopted the "Get Wise" slogan. The owl was adopted as a trade-mark and all advertising bears the owl and the slogan. As soon as they got a location on Liberty street they scattered the news abroad with owl-shaped placards—

Who! Who-O! WHO–OO!!
is coming to town?
THE HECKLER BOYS
The Wide-Awake Hardware Hustlers



Reproduction of circular in which Heckler Brothers offer a Liberty Bond box to users of their furnaces for sending in the names of possible customers. On the back are spaces for names and addresses.

For much of their advertising and publicity Heckler Brothers rely on unique "stunts." Some time ago the store distributed a little novelty that was particularly effective. A small envelope bore the compliments of the "Hardware Hustlers," and the announcement that within the envelope was a "Simplified Coat Hanger." On opening the envelope, the recipient found a common steel nail. Many persons called at the store for the little novelty, explaining that they wanted one for an April Fool gift or for a "booby prize" at a card party.

THE AIM of all Heckler advertising and publicity is to burn into the average man's mind the name of Heckler Brothers. Their furnaces bear the name of Heckler; their advertising bears the name of Heckler; and the talk in the store is about Heckler products. Nationally-advertised products appear on the Heckler shelves. Nationally-advertised ranges sit side by side with Heckler ranges. But one range a year is the average for the nationally-advertised product—just one green pin a year on the map that is continually getting too small for the pins. That's the store policy.

Ranges that are advertised nationally are sold by almost every dealer in the city," says Louis J. Heckler. "We sell them here. But if we sell one of these ranges the customer's friends hear about that range. Then they buy from anyone they choose. They do not connect the name Heckler with a Bakem range or a Browner range. But when we sell a Heckler range we know Heckler Brothers are going to be talked about in a good way. The performance of our goods eliminates the possibility of bad talk.

"We have lots of customers come in to the store to get nationally-advertised products. By comparing our ranges and furnaces with the ones they came to see and letting the customer glance at one of these maps, we are able to convince the customer that a Heckler product would add a little prestige to the home. They talk about our ranges. And who benefits? Heckler Brothers.

"After all, the individual merchant is making money for himself rather than for the concern that advertises nationally. It costs him a good deal of money to tell the public that he sells a nationally known range. He would be able to make sales; but soon the customer would forget where he made the purchase."

The store itself is unique. On entering the store the customer passes between two large furnaces. As he comes out he sees the same two furnaces—for they are built in as part of the store front. Garish colors and display give the Heckler store the appearance of being much wider than it really is. By a special window arrangement the usual two-window front is transformed into a five-window front—a double-deck window on each side and one over the door. Perched on the top of the two furnaces are owls whose electrical eyes blink continually while the public is warned to "Get Wise."

As there is something different about the appearance of the store it draws a second glance from the thousands that pass each day. This glance helps to fix the name of the store in the mind of possible customers—often it brings in customers for direct sales. The interior of the store is neatly arranged, but as many articles as possible are displayed in the small space on each of the five floors. Card signs are displayed everywhere, and salesmen are always at hand to satisfy the demand created by the advertising.

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With Hands, Heads and Hearts

That's How Everybody Works Under Industrial Democracy in a Great Women's-Wear Factory

By ARTHUR H. LITTLE

THE PRESIDENT himself told of the case of Mrs. Mary W———. His name is Alexander Printz, but his employees at the plant of the Printz-Biederman Company, of Cleveland, Ohio, call him "A. Printz." The Printz-Biederman Company makes women's cloaks and suits and employs about 950 persons.

"I went upstairs to a meeting of the wage rate committee—it was a week ago today," Mr. Printz said. "I just slipped in and sat down at the back of the room. They were too busy and too interested to notice me. Anyway, I was there to listen and not to talk. Throughout the discussion I said nothing—just sat and looked on.

"They were hearing the case of Mary W———, a widow, who works in Department F. She was asking pay for a week's vacation she had taken. Her foreman had refused to approve the payment, and she was before the wage rate committee with her appeal.

"The case against her was based on the fact that she had been away from her job for three months; hence, under the rules, was not entitled to vacation pay. She contended that during those three months she had been ill.

"On the table before the committee was the documentary evidence—the reports of the visiting nurse, who calls on all the sick. The nurse's report stated that she had been twice to Mary's house during the three months in question. On the first call, according to the reports, the nurse was told by a small boy, evidently Mary's child, that his mother was 'at work.' The second time, the nurse's report declared, she had been unable to find anyone of the name of W——— at the address given.

"And there was the case. On the one side was the unsupported word of the woman that she had been ill. She said she could bring in substantiating evidence the next day. But there she was on this day before the committee with just her story. On the side against her were the reports of the company nurse. Let me tell you, the case was a poser. I wouldn't have enjoyed having it come to me for decision. I was keenly interested.

"The committee decided the case then and there—decided it as I would have done, and as I found myself hoping they would decide it. Because, you see, I believed Mary. You know, you can tell more about a person in five minutes' talk than you could in reading about that person for two hours. Then, too, I had noticed a discrepancy in the testimony. The nurse's report stated she had called at number eleven-forty-four on some street or other. When Mary herself had mentioned the address it was eleven-forty-nine, which would be across the street and several doors away. That discrepancy hadn't escaped the committee, either. They heard Mary's story, watched her as she told it—and granted her vacation pay. Then they told her that if she wanted to she could bring in her supporting evidence the next day—that it might make the committee feel a little 'surer,' but that if she couldn't get it she was not to worry about the matter.

"Mary W——— went out of that meeting with tears in her eyes. And believe me, sir, after that session you could no more have shaken her loyalty to this institution than you could dispel my belief in the plan by which we are operating."

• • •

The factory manager, Arthur Hoffman, in his office out in the plant, told of the case of the sample tailors. Skilled workmen all, the product of their specialized labor goes out with the salesmen of "the house" to the trade. They came before the wage rate committee for an increase in their minimum rate.

"The committee took a week to consider," Mr. Hoffman said. "They always do that. A sub-committee, familiar with the work of the sample tailors, went into the case. And you may believe it when I say they went into the case thoroughly. It was something with which they were intimately familiar; and when investigators are supplied with that sort of knowledge, and besides are perfectly fair, you can't find better judges.

"They decided that the sample tailors should not be raised at that time. The committee took into consideration the ratio between the increase in living costs and raises previously granted to the workers in question and decided they were not entitled to the advance they asked for. The committee so reported to the House of Representatives. Maybe the sample tailors didn't like it very well at the time, but neither could they blame the company for the refusal, since their case had been judged by their own fellow workmen."

• • •

During the summer of 1918 a general strike call was issued to all clothing and garment workers in Cleveland, and most of the thirty-nine factories were obliged to close their doors or



The Betterment Committee, Printz-Biederman Company

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His name is Alexander Printz, but his employees call him "A. Printz."

greatly curtail their operations. Just seven of the 950 employees of the Printz-Biederman Company joined the strike. The others, through their House of Representatives which sat in executive session with no representative of the management present voted unanimously to send the following message to the union that had called the strike:

"We, the members of the House of Representatives of the Printz-Biederman Company, have been elected by the employees for the purpose of taking up all matters pertaining to the conditions under which we work.

"In the last three years we have reduced the working hours from forty-nine and three-fourths to forty-eight. We have raised wages four times in two years. We have put into operation a wage system that increases the pay of each employee every month, in accordance with the increase in the cost of living.

"Our wage committee fixes the prices on all operations with the management, and handles all complaints which arise regarding wages.

"We are entirely satisfied with our working conditions and with our own system of collective bargaining. We do not need any outsiders to help us, because we have fully adequate means that have been tested out by experience to meet our needs. By threatening to call a strike without our approval you are trying to change conditions which, we repeat, are entirely satisfactory. Certainly, if your union is sincere in its claim that it is trying to assist the workers, it can prove it by leaving us alone."

AND there are three examples—two affecting individuals, but in entirely opposite ways, and one instance of a more general nature—of how industrial democracy works in the plant of the Printz - Biederman Company. Its workings, incidentally, have raised this plant to a place of distinction, not only in the cloak and suit trade—which, from a labor standpoint, is admittedly "difficult"—but among manufacturing plants of all kinds.

From the time the idea took root in the Printz-Biederman plant, the mere form of organization by which industrial democracy was to be worked out has been considered secondary. What has been depended upon to bring results has been the spirit. House of Representatives, wage rate committee, betterment committee, planning board; these have been mere instruments, selected to bring about a certain preconceived condition. And that desired condition has been simply this—understanding, mutual understanding of aims and motives.

"*ARE* men fair?" asked a recent advertisement published by a pressed steel company that has commanded the attention of the manufacturing world by its discussion, in advertising space, of labor problems. "Yes," was the gist of the answer, directed to employers, "your men are fair if they know *you* are fair."

And that, as nearly as it can be put into words by those who are directly concerned in its operation, was the reason for industrial democracy at the Printz-Biederman plant. For the plan, primarily, was an expression from the management, an expression of a motive of fairness, and an invitation for an expression from the employees.

In the management's presentation of the plan at the very beginning there was no hint of altruism. Rather the proposition was "sold" frankly as a means to an end—better work. A company executive explained the matter carefully and simply to the workers. He pointed out how the plant must meet its competition by being more efficient than its competitors, and showed how this could be accomplished only by using the most improved methods and equipment and by working under the best possible conditions and in the best possible spirit. "We were honest about what we were driving at," a company officer explained. "Since the whole plan was to be founded upon open dealing, we laid our cards on the table right at the start."

The plan—the mechanics of it—might be called, in terms of commission government of cities, the "modified federal" plan. In the beginning the mechanism was rather complicated. It started, some four years ago, with the creation of a Senate, composed of the superintendents, foremen, subforemen and all other employees in charge of groups in both shop and office. Six months later a Cabinet was added. This was composed of the officers of the company. Then came the House of Representatives, composed of workers elected by direct vote of all employees. At first the ratio of representation in the House was one member to ten workers. But later, for the sake of speedier action, this was changed to one to twenty. At first, as now, the term in the House was one year, with one-half the membership elected every six months. The House now enrolls about forty members.

The two branches of the legislature, Senate and House, were given to understand that either might initiate legislation of any sort it liked. In all respects, virtually, the operation of the two houses was similar to that of other two-branch legislative bodies. The right of veto was vested in the Cabinet.

But the original machinery was too cumbersome. The Senate had been

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conceived as a training school to teach coming executives the problems of the business, and to that extent it was a success. As a legislative body it was a failure. To the employees, who had rightly expected by virtue of the plan an easy means of free expression and a contact as direct as possible with the management, the Senate seemed simply an obsolete "check," left over from a system that had been cursed by "checks and balances." And so the Senate was abolished.

The Senate was succeeded by a body called the planning board, which was composed of heads of departments. Although its membership includes no officers of the company, this board is in direct contact with the management. The workers, too, are represented on this board—represented by the head of the welfare department, Dr. Alice Cutler. "She'll fight for us," the employees will tell you.

Dr. Cutler, a graduate of an eastern medical school, began the practice of medicine in Lynn, Mass. From the study of women's health to a study of their working conditions in the great manufacturing centers of the East was a logical step. She became an authority on the subject of dress for working women. Eventually she gave up her general practice and devoted herself exclusively to industrial welfare work. In 1918, at the time of the garment workers' strike in Cleveland, she was studying at Harvard University. The Printz-Biederman Company asked her to become its welfare manager. Dr. Cutler hesitated, but her friends and professional associates urged her to accept the place. "Go on out there," they advised, "and find out what keeps the wheels going round in that Printz-Biederman plant." Dr. Cutler went and she's still there. Besides being the company physician and head of the welfare department, Dr. Cutler is secretary of the House of Representatives and of the betterment committee.

Although the planning board includes, in the person of Dr. Cutler, representation of the employees, the board essentially represents the management in the legislative scheme. Here are initiated those measures which the company desires passed by the House. From the planning board all legislation instituted by the management goes to the House, which can act as it sees fit. Thus far the House has always either adopted the planning board's proposals or has agreed to some compromise mutually satisfactory. Similarly, measures passed by the House of Representatives go to the planning board for action, and the board may concur or dissent, as it sees fit. A measure passed by both the House and the planning board goes to the company officers for final approval. There is an understanding that in the case of a disagreement that cannot be adjusted between the House and the planning board, an umpire, mutually satisfactory, may be named to settle the matter.

The House meets weekly, at 10 a. m., Tuesday, and on company time. Its sessions rarely last more than an hour. The planning board meets twice a week. The House generally does not pass finally upon any matter at the meeting at which it is first presented. This policy permits the planning board to consider the question and allows for discussion on both sides. Thus, before it acts upon any important matter, the House is familiar with the wishes of the employees and with the views of the management.

Of several committees created by the House the most important are the betterment and the wage rate committees. The wage rate committee, composed of a member from each of the departments and one person representing the company, is elected by the House. Its functions are:

1. To recommend and pass upon any new arrangements for general changes in wages.
2. To recommend and pass upon minima and maxima to be paid for various operations, for general skill, length of service and steadiness in the matter of attendance.
3. To sit with the factory planning board and pass upon individual increases, when such cases arise.
4. To receive complaints from individuals from the departments they represent when applications for increase through the foremen have failed of receiving the proper attention.
5. To review cases that have been refused by the superintendents.
6. To recommend changes in operations and positions.

As its name implies, the betterment committee, composed of several members of the House and the superintendent of maintenance, deals with questions concerning physical conditions around the plant.

AND that constitutes the machinery of the plan. Specific instances best describe how it works and the results it has brought about.

Shortly after the Senate-and-House plan had been instituted, it became apparent to the management that the day-wage, group-incentive plan under which the factory was operating was not effective. Some form of individual incentive was seen to be desirable. It seemed that some system of standards in production, some form of what is generally called "scientific management," was necessary, and that such a plan need not be inconsistent with the principles of industrial democracy as those principles were being worked out in the plant.

The management's first act was to lay the matter before the House of Representatives and suggest that the workers themselves investigate systems in use in other factories. The House liked the idea and sent two workmen out on an investigating trip. The workmen came back with a favorable report on a system they had seen. The House voted unanimously for the system. It is in operation today in the Printz-Biederman plant. Mr. Hoffman, the factory manager, says the method has increased production per employee throughout the factory up to fourfold in the cutting department, has increased the percentage of perfectly made garments, and has enabled the workers to make better wages on shorter hours.

The Printz-Biederman factory is probably the only cloak and suit plant in America that operates fifty-two



House of Representatives, Printz-Biederman Company, in session

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Mr OKAY says- Use "O.K." WASHBURNE'S Paper Fasteners
Use Sanitary "O.K." Erasers
Get a Ries "O.K." Letter Opener



MR. BUSINESS MAN:—

Speed up the work in your office by using the Wonderful Ries "O. K." Letter Opener, then everyone in your employ can begin work earlier in the day.

Our Electric Ries "O. K." Letter Opener will open one hundred letters in one minute; the Hand machine will open 40 letters per minute.

Hair's breadth only, instantaneously, clipped from each envelope—*Cannot damage contents.*

Guaranteed for five years—will last a lifetime—sent on approval.

Washburne's "O. K." Paper Fasteners The Clip with Bull-dog Grip.

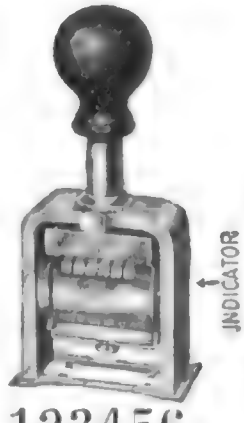
The Sanitary "O. K." Erasers—Just the thing for particular people.

All Stationers

Write us for literature with prices.

MADE BY
THE O.K. MANUFACTURING CO.
SYRACUSE, N.Y., U.S.A.

"IT'S VISIBLE"
AMERICAN MODEL 41



CONSECUTIVE—DUPLICATES—REPEATS

Steel Throughout. *The Machine With the Guarantee.*

DEALERS EVERYWHERE

AMERICAN
NUMBERING MACHINE CO.
220-226 Shepherd Ave., Brooklyn, N. Y.
New Catalogue on Request.

weeks in the year. The trade, of course, is seasonal. It has always been the practice in the industry to lay off a considerable number of persons during the dull periods. It was an unpleasant necessity, both for the management and the workers; for, on the one hand, it meant disrupted working forces and, on the other hand, loss of wages. But, until industrial democracy gave employees of the Printz-Biederman plant an articulate voice, no one had been able to solve the vexing problem. Two heads, or rather two groups of heads, again proved better than one.

The situation was explained fully and frankly to the employees. Suggestions were asked for— and they were forthcoming. A vacation plan was the solution proposed. The House deliberated, consulted with the company, and passed a bill providing for vacations, on the basis of length of service with the company, for all employees. And the company promptly approved the measure. It is in operation today.

But the vacation plan, alone, would not have eliminated the seasonal fluctuations in employment. Accordingly, the company made a move on its own initiative and took on enough special, off-season work to absorb much of the spare time. In one season, for instance, the plant made 40,000 wash skirts, a novelty for the Printz-Biederman factory. This special output made necessary special sales effort that cut down profits materially. But the important point, as company executives looked at the matter, was that the workers fully appreciated the fact that the company again had shown a disposition to "come half way."

The plan of readjusting wages monthly in accordance with changes in the cost of living as shown by Bradstreet's statistics, referred to in the communication sent by the House of Representatives to the garment workers' union in the strike of 1918, is not now in operation. It was discarded by action of the House. From the viewpoints of both the management and the workers, this method of increasing pay was objectionable. It was cumbersome to operate; and to many of the workers it seemed that increases in pay were continually being granted and then taken away. As a substitute for this plan, in accordance with an agreement reached by the House of Representatives, the wage rate committee and officers of the company, all base rates throughout the plant were increased permanently in August, 1918.

Sessions of the House and of all committees are mostly in accord with parliamentary law; but rules of procedure never are permitted to clog action or stifle debate. In the House almost any subject under the sun, from questions of individual rates as reported by the wage committee to such matters of broad policy as whether the mass of workers is to affiliate with a union, may come up and be decided. Anyone is privileged to speak; and, what is more important, to speak his mind. There is no censorship, and no member need fear that anything he will say will later react against his standing with the company. Grievances come to light; grievances that, if carried around in the breasts of the workers or discussed in secret groups and cliques throughout the factory, would multiply upon themselves to inordinate proportions. The psychology of open discussion, of course, is that many a fancied grievance dissolves surprisingly into thin air when brought forth before a roomful of witnesses. And the forty members of the House are surprisingly critical, too.

Although, by specific motion of the House, proceedings are not recorded verbatim either in the House or before any of the committees, the most complete publicity attends all deliberations and decisions. All are religiously reported in the Printz-Biederman Company's house organ for employees, "Printz-iples."

With the question of whether granting a measure of autonomy to the worker lessens or strengthens the authority of the employer, no one at the Printz-Biederman plant is at all concerned. To the management it seems an academic question, nothing more.

"Why worry about that?" demanded the factory manager, who, as the connecting link between management and employee, should be the first to sense any alarming symptom arising from the division of power—and responsibility.

"We're getting more and better production," he went on. "Our workers are better paid and better satisfied. By participating in the management to the extent of deciding their own conditions, they are being educated to a broader vision of manufacturing problems; and sharing in the responsibility of meeting those operational difficulties and solving them is engendering in them a feeling of sympathy- if you please with the management in its troubles. The fact that they have acquired the broader vision is evidenced by practically every decision they make and every action they take. They judge all cases by certain universal rules that they themselves have laid down—and they'll stick to those standards through thick and thin."

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Every Day is "Fish Day"

(Continued from page 13)

looked like a miniature Fulton Street market.

John C. Wheeler, sales representative of the Bay State Fishing Company and former member of the division of fisheries, United States Food Administration, thus tells how the new marketing plan is working:

"We are now operating fourteen modern steam trawlers, each capable of catching an average of 150,000 pounds of fish a week for fifty-two weeks a year. We could enlarge our production in this way only by developing a larger market, educating the public to the merits of fresh ocean fish and cutting the costs of distribution to the lowest possible point. We sell in large quantities at a small margin. There is nothing new about it; we are simply applying an old business principle to one of the oldest of industries.

"In casting about for a new market we looked into the region where fresh fish is often on the menu—the Great Lakes region. In analyzing the competition we should have to face, we found such prices as these, quoted at Sandusky, Ohio, November 21, 1919:

"'Yellows, 22 to 24 cents wholesale, 35 cents retail; Lake Erie whitefish, wholesale, 19 to 20; retail, 35; Lake Erie jumbo white, wholesale, 23 to 34; retail, 50; gill net perch, wholesale, 12 to 13; retail, 25; white bass, wholesale, 12 to 13; retail, 25.'

"By eliminating the middleman and selling on a big scale we were able to offer fish at 10 cents a pound. Advertising and the co-operation of newspapers and city officials brought consumers in great numbers and paved the way for still further extensions in the industry."

The improvement that has made quantity production possible in all seasons has been the steam trawler. The type used by the Bay State Fishing Company is of steel, 150 feet long and equipped with 500 horsepower engines. Each trawler is manned by a crew of twenty-five men.

A cone-shaped net with an eighty-foot mouth is lowered into the water and towed by heavy cables. The small end of the net is of heavy mesh which can be released when the net is drawn on deck to be dumped. During the operation of raising and dumping the net the trawler may continue to run at maximum speed.

While the net is garnering a second catch the crew separates the varieties in the first, washes and dresses them and sends them into the hold of the trawler.



$5,100 Lost on Raised Checks

A Chicago business man (name on request) had this experience: Through an entire year his profits seemed to shrink below normal. In December he ordered an audit. For months, it appeared, the young woman in charge of the office had been making a practice of changing little $5 and $10 checks to $100 and $200, winding up by "boosting" one issued, to the cartman, from $5.75 to $575.00.

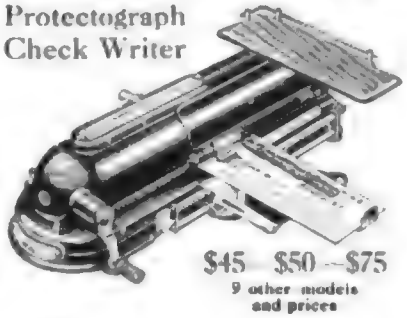
The method was simple. The checks were made out and signed by the proprietor. Then the clerk erased the amount and the payee's name with ink eradicator, substituted her own name, and multiplied the amount by ten or a hundred. In all, the Chicago man lost $5,100.

Frauds of this kind show the importance of safeguarding your bank account with

TODD
Protectograph System

Backed by Todd Forgery Insurance Policy

Protectograph Check Writer



$45 $50 —$75
9 other models and prices

Todd System consists simply of (1) PROTOD forgery-proof checks and drafts (preventing any change of payee's name or date), each check registered like a Government bank note to prevent duplication or "counterfeiting;" and (2) The patented Two-color Amount Line of the Protectograph Check Writer, like this—

EXACTLY FIFTY ONE DOLLARS SIX CENTS

Do you think your checks are safe? If you do, or do not, or if you are not quite sure, just return this coupon and get the facts about check raising. This mystery book, written in state Prison by a celebrated forger, is for responsible business men only, so be sure to enclose your business letterhead with the coupon.



TODD PROTECTOGRAPH CO.
(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices. Sales and Service Branches in 100 cities throughout the World.

1179 University Avenue, Rochester, N. Y.

"Scratcher" The Forger
His Book
(Written in State Prison)

FREE, please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name _____

(enclose your business card or letterhead)

TODD PROTECTOGRAPH CO., 1179 University Ave., Rochester, N. Y.

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Loose Leaf Devices
for every requirement



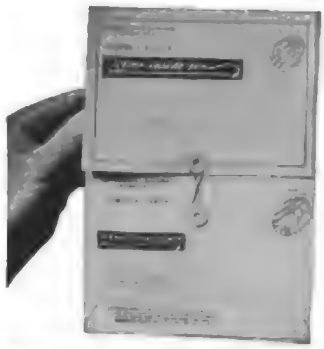
STATIONERY equipment for machine bookkeeping; binders, stands, ledger leaves, statements, envelopes, etc. Seventy-one years of experience in supplying the needs of Banks enables us to offer you suggestions of practical value, which we are always glad to do.

May we send further information and illustrations?

Blank Books — Bound and Loose Leaf — Lithographing, Printing, Engraving — Office Stationery and Supplies

A complete Machine Bookkeeping System with Mann Equipment is installed in the offices of the Trenton Trust and Safe Deposit Co., Trenton, N. J.

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848
New York Offices: 261 Broadway



Hasn't That Catalog Come Yet?

There is no need for this oft repeated question when the "LETTER-PACK-IT" System is used.

You can mail your catalog or sample WITH your sales letter and both reach the prospect at the same time—at no increased postage cost.

The "LETTER-PACK-IT" System consists of a double mailing envelope; one part for letter and the other for material discussed. There's also a "LETTER-PACK-IT" cloth mailing bag securely fastened to a neat white correspondence envelope and a combination label envelope for attaching to wrappers you already have.

Let us tell you more about these time and patience saving devices

373 Holden Avenue **"Letter-Pack-It" System** Detroit, Michigan

BE A C.P.A. **ACCOUNTANCY**
THE HIGHEST PAID PROFESSION
Cost Accountants–C.P.A's–Comptrollers earn $3,000 to $10,000 and direct big business. WE TEACH YOU by home study in a few months. Fees small–terms easy–money back guaranty protects you.
Our Big Staff of C.P.A's will teach you.
Write for **FREE BOOK** International Accountants Society Dept. 80A-2626 S. Michigan Ave., Chicago

Handling Petty Cash In Your Business?
The "Universal Petty Cash Register" is the modern method of handling petty expenditures. Sample form No. 101 mailed FREE upon request.
UNIVERSAL SYSTEM, INC. 608 S. Dearborn Street Dept. E Chicago, Ill.

THE mailing list of BUSINESS comprises the executives of successful business enterprises manufacturing, wholesale and retail. These are the men who must ultimately be reached in offering a product or service for sale. Deliver your message through BUSINESS.

AT LAST!
BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads 1000 Billheads and 1000 Statements	**ONLY $11.25 for Lot**
1000 Letterheads & 2000 Billheads	$13.25
1000 Type & 2000 Letterheads	$11.25
5000 large Letterheads	$18.50
2000 Letterheads & 4000 Billheads	$18.50
10,000 Letterheads	$29.50

Lithographed on good Bond Paper. *Write for Samples.*

Customers from Maine to California.
KAY-DEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

First Aid to Infant Industry

(Continued from page 7)

supplied with batteries of elevators and chutes. The floors of the building are divided into classifications so that similar merchandise will be stored together, and each floor is in charge of an expert in the handling of that classification of merchandise.

The service building receives and stocks car lots from the interior shipper. Then upon order its expert shipping forces repack, remark and dispatch shipments, attending to such details as the handling of all shipping papers and stock records, billing the merchandise and handling export and import papers. A shipment for South America is packed to stand passage across the Equator, heavy rehandling at the South American port and mule-back transportation into the interior. And all these services are performed for the owner of the goods at cost of a few cents the hundred pounds, because this seaboard business of dozens of inland manufacturers is pooled into a huge concentrated business and can be done cheaply. Co-operation again.

The sort of seaboard service Bush gives can be obtained by the individual only if he is a big shipper and can afford a branch and a large organization at New York. The little man in the interior has had to depend upon the welter of private agencies already described, variably responsible and frequently costly and inco-ordinated.

Yet there is a third class of small inland manufacturers who need in New York the same sort of co-operative service that Bush gives to the man who needs a New York factory or a New York forwarder. The third class consists of those small manufacturers who need to have a sales exhibit and a selling force in the greatest of buying markets. The big men in the interior can afford to maintain a branch house and a sales manager here, with a location so prominent as to command the attention of all buyers. The little fellow cannot afford to maintain either an expensive store or a resident sales manager. If he is in New York at all, he is likely to be hidden away in some location where he is lost, or dependent on a New York agent who has to handle a dozen other lines. Under such conditions hundreds of small manufacturers who would like to be represented in New York do not come here at all.

For such people Mr. Bush has erected, at a cost of $2,000,000, an international exhibit building, of Gothic architecture and thirty stories high. Each floor is devoted to exhibits of a single line of merchandise: for example,

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one floor for toilet articles, one for jewelry, one for infants' wear, three for boots and shoes. Each floor contains the sales exhibit of scores of American manufacturers, displayed in showcases especially designed for that merchandise. Each floor is in charge of an expert manager; for example, the toilet articles floor. To visiting buyers the manager displays the lines there offered, takes and forwards their orders. On the toilet articles floor the small unit of space for exhibit costs $450 per annum. If the exhibitor also uses the service building already described, Bush can store, sell, ship, bill, collect and forward money for him.

A buyer of dozens of kinds of merchandise can see more lines at the Bush Terminal Sales Building than anywhere else and in a fraction of the time. It is on Forty-second street, Times Square, between the Pennsylvania and Grand Central stations, in the heart of the hotel, railroad and amusement section. The three lower floors constitute a Buyers' Club, in which any buyer with proper credentials can be a member without cost. Here he has a complete and luxurious club, except for sleeping quarters. He has a lounge, reading rooms, conference rooms, a grill, stenographic assistance and library with trained librarians to hand him all accumulated and current information in his line. A Brazilian buyer registers, obtains the services of a Portuguese interpreter and is shown over a building with a pretty complete line of American manufactures. He can buy and sail home.

Today there are 13,000 members of the Buyers' Club. There will soon be 2,000 exhibitors in the building. A duplicate building will soon be erected, and Bush has acquired a whole block along the Strand in London for the erection of a similar building.

Once more, co-operation. The little manufacturers, combining in the Bush Terminal Sales Building, provide themselves, at small cost, with a chance to exhibit and sell their goods, and a sales 'ocation such as not even their biggest rival can equal.

The interesting thing about all this is that a way of salvation for the small man in industry is being evolved. His peril is in being eliminated by the big fellow who can do things on such a large scale that each of his unit costs are small. He undersells the little man. The small fellows together can reduce a large number of their unit costs to the level of the big rival, stay in business and perhaps do the eliminating themselves instead of being eliminated. In this development Mr. Bush is a pioneer.



First Aid to Employers and Employment Managers

NEVER before in the history of this country did employment management offer so great an inducement for careful study as at the present time. To replace trained workers is costly and eats into profits. Facing every employer and employment manager is the problem of a high labor turnover—of maintaining a stable working force—of eliminating misfits and quits. Labor should be selected with the same care as raw material and then distributed to the right jobs and the right bosses. All these and many other problems confront the employer.

EMPLOYMENT MANAGEMENT and SAFETY ENGINEERING Will Help You

Here are Seven Volumes that represent First Aid, Expert Advice and Plans on any and all Employment Problems. This practical reading course presents nothing but tested employment plans and policies and offers the best systems in use in over sixty of the largest firms in the country. Many chapters in the seven volumes have been contributed by men of national prominence—men who have specialized in employment and safety. Years of practical experience, investigation and research are back of their contributions. This knowledge, together with personal investigations made over a period of two years by the American School, is ready to place on your desk—ready to aid you solve your employment and safety problems.

Highly Endorsed —Send For It

EMPLOYMENT MANAGEMENT and SAFETY ENGINEERING was prepared with the approval of many of the leading industrial concerns and Employment Managers, and has been endorsed by Manufacturers and Employment Associations. It presents proved facts; not theories; and gives practical information on such important problems as follows:

EMPLOYMENT MANAGEMENT:
The Employment Field — Organizing a Department—Functions and Personnel—Job Analysis—Safeguarding Selection—Training New Workers—Employment Forms—Labor Turnover—Sources of Labor—Systems and Policies—Personal Follow-up—Collective Bargaining.

MUTUAL RELATIONS: (Including)
Personal Service Work—Lunch Rooms and Commissaries—Housing and Transportation Problems—Employe Representation—House Organs.

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SAFETY ENGINEERING:
The Human Element—The Accident Problem—Mechanical Guarding—Power Equipment—General Engineering Features—Special Features.

SEVEN DAYS FREE TRIAL

Only after you examine EMPLOYMENT MANAGEMENT and SAFETY ENGINEERING will you realize how much you need the information it contains. There is nothing like it on the market and you will better appreciate this fact when you examine the Seven Volumes. There is no need for you to hesitate about sending the Coupon. We want you see this wonderful work for yourself. It is your privilege to examine it for SEVEN DAYS before deciding whether you wish to buy it or return it. Don't send a penny now. Just fill in the Coupon below and mail it to us. Do this now, while the matter is before you.

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Dept. E. S. 1912 Chicago, Illinois

American School of Correspondence
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Please send me your complete Seven Volume reading course on EMPLOYMENT MANAGEMENT AND SAFETY ENGINEERING for seven days free examination, shipping charges collect. If I decide to buy, I will send $1.00 within seven days after receipt of books, and $10.00 a month until the full price of $56.00 has been paid. Should I decide not to keep the books I will return them at your expense.

Name

Address

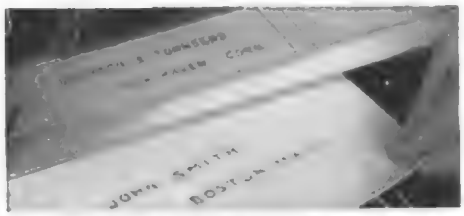
Occupation Age

The Addresserpress

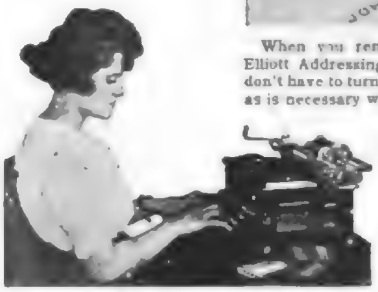
MADE BY THE ELLIOTT CO.
of CAMBRIDGE, MASS.

Why the Addresserpress is Bought by Business Men

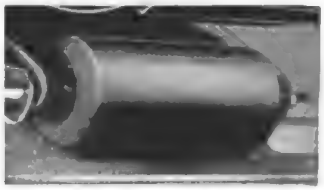
who already own "other" addressing equipment



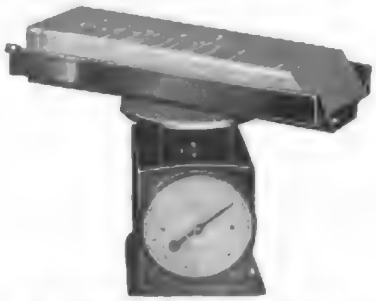
When you remove the addressed envelope from the Elliott Addressing Machine it is address side up, so you don't have to turn each envelope over to inspect the address, as is necessary with other addressing machines.



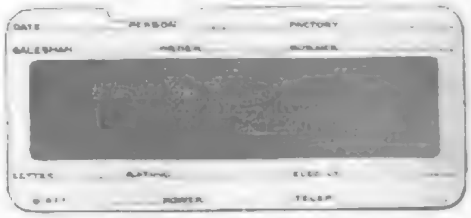
You can stencil your addresses into Elliott Address Cards with any regular typewriter. You don't have to buy an expensive address embossing machine and you don't have to have your address plates made outside your office.



The Elliott rubber printing roll ***flattens*** as it prints each address, thus putting an equal pressure on every letter in the address. "*Other*" addressing machines use a ***hard, flat, unyielding*** printing head, which accounts for the unevenly impressed addresses which you so frequently see.



A trayful of 250 Elliott Address Cards is only 13 inches long and weighs less than 2 pounds. "*Other*" address plates are three times as bulky and seven times as heavy.



Since Elliott Address Cards are made of fiber you can print and write on their frames. We supply them in eight different colors, so you can use color classification. ANY Elliott Address Card becomes a tab card by simply inverting it in the filing tray. Any Elliott Address Card will print 10,000 addresses. Elliott Address Cards never get stuck when going through the Addresserpress.

Let us send you our booklet on "Mechanical Addressing"

THE ELLIOTT COMPANY, CAMBRIDGE, MASS.

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That's the Omaha Spirit

(Continued from page 9)

made out for the amount which the manager of the bureau believed to be the proper share of this particular firm's or individual's subscription. In the majority of cases it was signed without protest; in some instances the solicitor had to revise the amount slightly downward, but in many others the prospect voluntarily offered to raise his subscription above the amount set for him by the bureau.

The carding of prospects was undertaken in an unusually scientific and detailed way. It required several weeks of work on the part of Mr. Thomas, manager of the bureau, but it was one of the big things which led to the success of the canvass.

Pertinent facts about every business firm in Omaha were obtained from commercial agency books and carded on specially prepared forms, each card showing, among other things, whether the prospect was already a subscriber, or had been in the past; the amount of the subscription asked, if for a non-subscriber, or the revision, if an old one; the name of the party who signed the last subscription card for the firm, and finally a subscription blank at the bottom.

The plan adopted for fixing the amount each concern ought to subscribe was simple and eminently fair. The ratings of all business houses in the city, as given by the commercial agency books, were totaled.

The total of the ratings thus obtained was divided by the amount of the fund to be raised, resulting in a "constant" representing the proportion of the fund to the total wealth of all the business houses. For example, if the aggregate rating was ninety millions of dollars, and the proposed fund $60,000, then the constant would be 1/1,500, or, expressed decimally .000666.

A firm rated at $40,000 was then allotted a subscription of .000666 of its rating, or $26.64. For convenience this was reduced to $24 and split into twelve payments of $2 each month.

Although it was weary work to make out all the cards, experience proved the wisdom of Mr. Thomas idea, for when a prospect objected that his quota was inequitable an explanation of how it was reached almost invariably satisfied him.

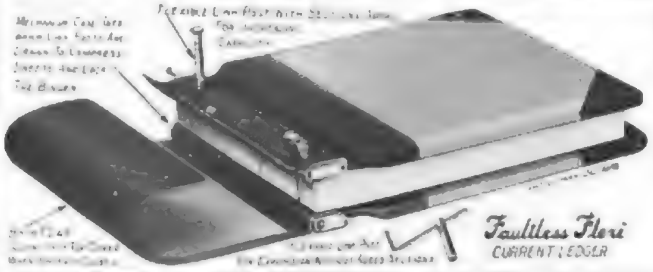
The campaign was an entire success, although subscriptions did not quite reach the amount set. A very little further personal solicitation, however, will easily complete it.

IF YOU WERE ASKED

to name the best all-purpose loose leaf binder, your decision would be governed by the relatively strong points of the various devices.

The MILLER LINE of FLEXI-POST BINDERS

so measured, easily excels all competitors.



FLEXI-POST Binders have every desirable feature of sectional post binders

And Compression

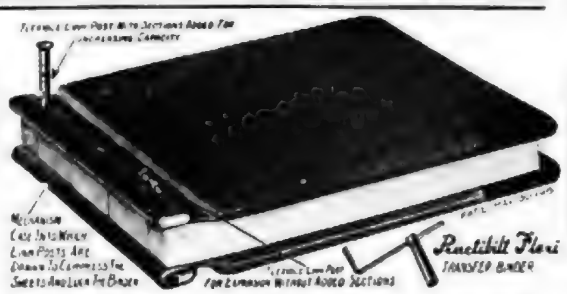
THERE IS A FLEXIBILT BINDER FOR EVERY PURPOSE

FLEXI-POST

Binders take up no unnecessary vault space because posts do not protrude above the covers.

They Embody Quick Action and Great Strength

Write for Catalog "SU"



THE STATIONERS LOOSE LEAF COMPANY

NEW YORK MILWAUKEE CHICAGO

Duplicating Inks

A 10% to 30% saving in the purchase of duplicating inks for use on

A. B. Dick Mimeographs
Underwood Revolving Duplicator
Rotary Neostyle Duplicator
Rotospeed Duplicator

is yours for the asking.

We absolutely guarantee the inks we sell.

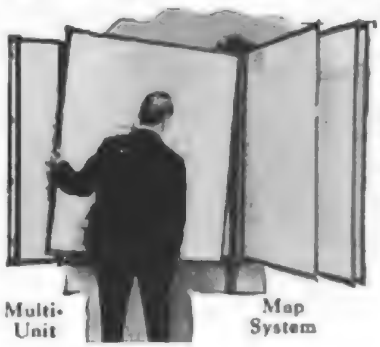
The highest class of work possible can be reproduced with the use of our ink. We are not experimenters in the manufacture of duplicating supplies, but the Oldest Independent Manufacturers of Duplicating Supplies in the United States.



BLUE, BLACK and PURPLE These are our standard colors. Write or phone us today stating make and number of machine and color of ink used as well as the quantities purchased.

MEUSER & MEUSER, 2432 Prairie Ave. Office and Factory: CHICAGO, ILL.

Use Washable Maps For Your Business



Our special celluloid finish applied to maps multiplies their value. Mark your salesmen's routes—outline different territories—write quota figures and sales statistics. Adapt maps to your particular requirements. Wash the surface when ready for new marking. This finish does not hinder the use of the colored tack system.

The Multi-Unit Map System enables you to have large scale, dependable maps in a practical, inexpensive equipment. Maps are mounted on both sides of composboard and are inclosed in steel frames of the Multi-Unit System. Turn a leaf and each different territory is flashed into view.

NATIONAL MAPS show TOWNSHIPS, counties, railroads, interurban lines, all towns and a complete index.

These Users Know:

U. S. Rubber Co.
Cleveland Tractor Co.
General Motors Corp.
Midwest Engine Co.
Kelly-Springfield Tire Co.
Moline Plow Co.
Cole Motor Car Co.
Pathe Exchange, Inc.
Hudson Motor Car Co.
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Tell us your needs and what territory you cover

National Map Company, Indianapolis, Ind. New York City

Address Home Office, 28 E. Georgia St., Indianapolis, Ind.

Business established 1885



Mailing Lists

Ask for our Silent Salesman containing 3,000 Classifications covering all lines of business, showing the number in each list and the price.

Also Lists in all classes of Automobile Mailing Lists.

Also Lists of 200,000 Stockholders' names in over 100 Oil, Mining and Industrial Companies.

All Commercial Lists show Financial Rating.

State your needs.

Trade Circular Addressing Co.
166 W. Adams St. Chicago, Ill.
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Merchants of Tomorrow

(Continued from page 12)

He was to learn still more, however, of the mechanical marvels upon which the ribbon counter depends. Enter Smith into the tube room. He went through several of these rooms, and by the time he had ceased marveling over the mechanical efficiency of the snake-like compressed-air gluttons he had learned several new things. For two weeks in an assortment of tube rooms he was kept on his toes checking up errors. Another week in the packing room, and the delivery and C. O. D. department yawned to receive him. Among other things he learned to push a wheelbarrow efficiently, and he even took a "hop" on a delivery truck to study the buying psychology of housewives by ringing door bells.

While acting as the delivery truckman's assistant, Smith had to deliver a package to the apartment house in which his "best girl" lived, and he was obliged to do some clever dodging to avoid being seen.

Smith is now spending the first of four weeks in the auditing department, and by the time he gets through there he will have completed the first fifteen weeks of active apprenticeship in a Sixth Avenue department store.

Meanwhile he has had some selling experience, for according to arrangements the students are to be put behind the counter three afternoons a week on busy shopping days. On slow days he devotes his entire afternoons to organization work. Later on in the course he will study the principles of salesmanship in the classroom. He will study types of customers through demonstration sales. All of his observations in the stock room, in the packing room and in the tube rooms will be utilized in the salesmanship course, for these are regarded as important factors in the sales process.

Smith will listen to demonstration sales talks on such topics as "ascertaining the customer's wants in price and size," "substitution, when and how justified," "appearance, manner, voice and choice of language," and "adapting talking points to types of customers." With that will come classroom instruction and demonstrations of methods of teaching salesmanship, the personnel problems of a department store and the various welfare systems employed.

"We are trying to do for the profession of salesmanship what the law schools have done for the legal profession," Dr. Galloway said, in pointing out what the New York University Training School for Teachers of Retail Selling means to the business man.

"It will do two things. First, it will raise the morale of salespeople and increase their efficiency. Second, it will educate the public to respect the retail salesman and appreciate the service of the store.

"Merchants and merchandising have suffered on account of poor salesmanship. With the increase in salary standards, they have concluded that increased expenditures must be overcome by increased sales efficiency. Hence the college-trained salesman. He will inspire greater confidence, and the department store will attract a higher class of trade. Incidentally, he will help to eliminate inferior merchandise.

"He will lead to sales on merit and service, inspire a higher confidence between retailer and consumer, and establish within the greatest retail center in the world the highest type of retail selling based on service."

"Our June Expenses Will Be—"

(Continued from page 15)

It would be unwise to think that an absolute control of expenses can be accomplished by this plan. It cannot. But the charts do have a decidedly beneficial effect on control of expense all through the store.

Each head of those departments affected in any way by the expense control charts is furnished with a chart, which is posted in a conspicuous place in his office. He can look ahead for six months and learn just about what he is expected to do. His chart serves him as the block signal on the railroad serves the engineer. He knows that he always must keep his eye fixed on that figure, and he is expected to hold his expense down to a point as near that figure as humanly possible.

In any business operation some latitude, some elasticity, must be allowed. Conditions demand it, and the last two years have been rather extraordinary in that one had difficulty in forecasting conditions.

The block signal, always up, in the Duffy-Powers store, has been decidedly worth while, according to John Mench, the managing director, and he expects in the years to come to have even a more carefully worked out plan always before him and his executives.

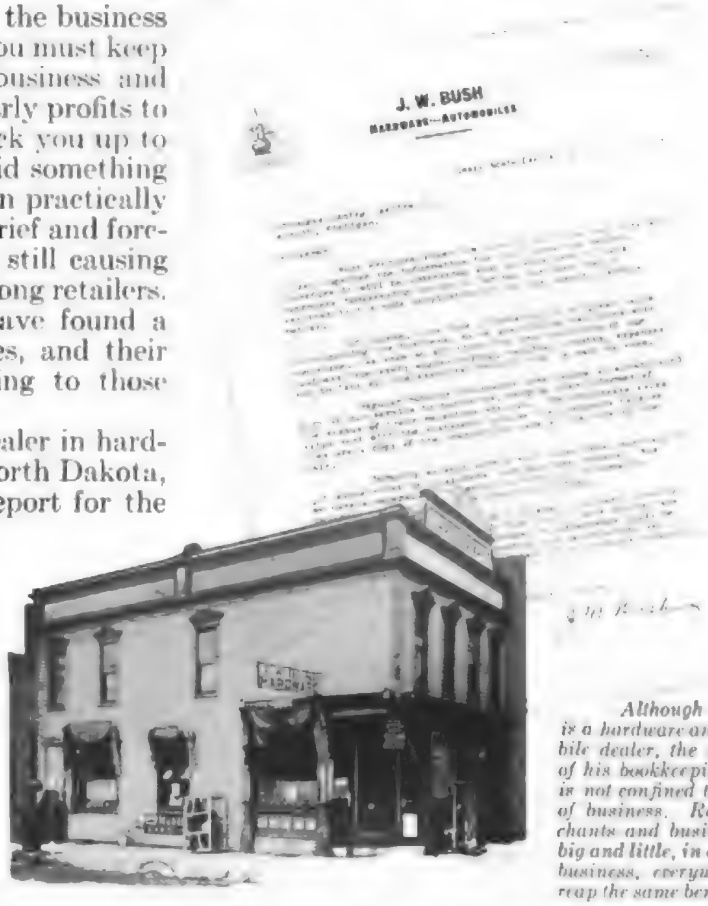
"The secret of the whole thing is volume," says Mr. Mench. "When you get your volume up you just naturally reduce your percentage expense. I'll stretch an expense point to increase volume, safe in the knowledge that if I get the volume the expense will take care of itself. We estimate on our volume and then we start out to get the volume to justify the expense. Usually we do it."

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Income Tax Report? Easy!

WHEN Uncle Sam said to the business men of the country: "You must keep strict account of your business and give me a certain part of your yearly profits to help pay my expenses; I will check you up to see that I get my share"—He said something that has caused a lot of trouble in practically every office in the country. His brief and forcible remarks along this line are still causing considerable worry, especially among retailers. There are some, though, who have found a good way out of their difficulties, and their experiences may prove interesting to those who have not.

Such a one is J. W. Bush, a dealer in hardware and automobiles in Oakes, North Dakota, who makes out his income tax report for the whole year in about an hour.



Although Mr. Bush is a hardware and automobile dealer, the usefulness of his bookkeeping system is not confined to one line of business. Retail merchants and business men, big and little, in all lines of business, everywhere, can reap the same benefits.

Data Always Available

He is able to do this because his bookkeeping system is so constructed that it gathers each day the information necessary for the tax report. At the end of the year all the information he needs is ready for him, because it has been gathered day by day instead of left to the last.

"I consider it very important to make my income tax report absolutely accurate," says Mr. Bush, "not only from patriotic reasons, but because the income tax is one of the biggest expenses a business has. While I want to pay the government all that belongs to it, I cannot afford to guess and pay more than my share."

Another beauty of his system is that it requires only an hour each morning to keep the books, whereas his old set of books required much more time and labor, without giving him this valuable information.

The Burroughs Simple Bookkeeping System for Retailers used by Mr. Bush is the last word in retail accounting. It was designed by retail experts of the Burroughs Adding Machine Company in response to requests by many of their retailer friends. Special attention was given to simplicity, so that any proprietor or clerk with little knowledge of bookkeeping, and with little time at his disposal for such work, could use it satisfactorily. It is so constructed that it can be used with profit by retailers having as few as one hundred customers' accounts.

Proof of Posting Every Day

In connection with the system, Mr. Bush uses a Burroughs Ledger Posting and Statement Machine to post the Daily Distribution Sheet and all the ledgers—customers', purchase and private. According to Mr. Bush, his Burroughs posts the customers' accounts, which is the biggest daily figure task, in half of the time required to do it with pen-and-ink.

In posting to an account, the Burroughs automatically extends the new balance with each entry and makes possible an easy, accurate daily proof of posting. It posts the customers' statement at the same time it posts his ledger account. All dates, ciphers and punctuation are printed automatically and the machine automatically shifts the

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various columns of the statement and ledger leaf into printing position at the right time. Practically all the operator has to do is to depress the keys and touch the operating bar.

"This system is so simple and the Burroughs so easy to operate," says Mr. Bush, "that in three hours the Burroughs man taught my son, G. C. Bush, who keeps the books when not busy selling, to use them without assistance. Another of my boys, K. W. Bush, is able to do the bookkeeping when Grant is busy."

The basis for gathering the income tax figures is the Daily Distribution Sheet. Here there is provision for entry every day of every kind of transaction that takes place in a retail business. When the day's sheet is filled out, Mr. Bush has a complete record of that day's business, and when they are all filed away, they form a complete history of the business, day by day. This sheet's chief function is to act as a distributing journal from which to post daily to the various accounts in the private ledger, which is made easy by the printed instructions at the top of each column.



The Burroughs is so easy to operate that anyone in the Bush store can handle the bookkeeping.

Income Tax Report Easy

Totals of the various divisions of the sheet are posted daily to these various private ledger accounts and, since the Burroughs automatically extends the balance with every posting, these accounts always show the total up to date.

Thus the Merchandise Sold account always shows the total sales. It is absolutely necessary to have this figure to make out the income tax report, and when Mr. Bush gets ready to make his out, it is instantly available.

The Merchandise Bought account always shows the total merchandise bought during the year, plus the physical inventory at the first of the year. At the end of the year, the new physical inventory is subtracted from this amount, giving the cost of merchandise sold during the year. By subtracting the cost of merchandise sold from the total sales, as shown on the Merchandise Sold account described above, the gross profit is determined.

It is now only necessary for Mr. Bush to subtract the various expenses and add the profit realized from taking advantage of discounts. These figures are also instantly available because there is an account in the private ledger for each kind of expense. These accounts are posted daily from the column on the Daily Distribution Sheet headed "Checks Issued for Miscellaneous Accounts." The Discount account is also posted daily from the discount column of the daily sheet.

Year's Total at a Glance

Subtracting the total of the year's expenses and adding the total of discounts realized completes the information necessary for making out income tax report. On the opposite page it is shown graphically what figures are needed to make out the report and the sources from which they are derived.

Other accounts in the private ledger are valuable in controlling the business. Accounts Payable shows the total owed to wholesalers, while Accounts Receivable tells the total outstanding. From these Mr. Bush knows at all times whether he can extend more credit with safety or whether he needs to push collections harder to meet his obligations. Bills Payable and Bills Receivable also aid him in watching assets and liabilities.

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BUSINESS

Volume 1, No. 6 March, 1920

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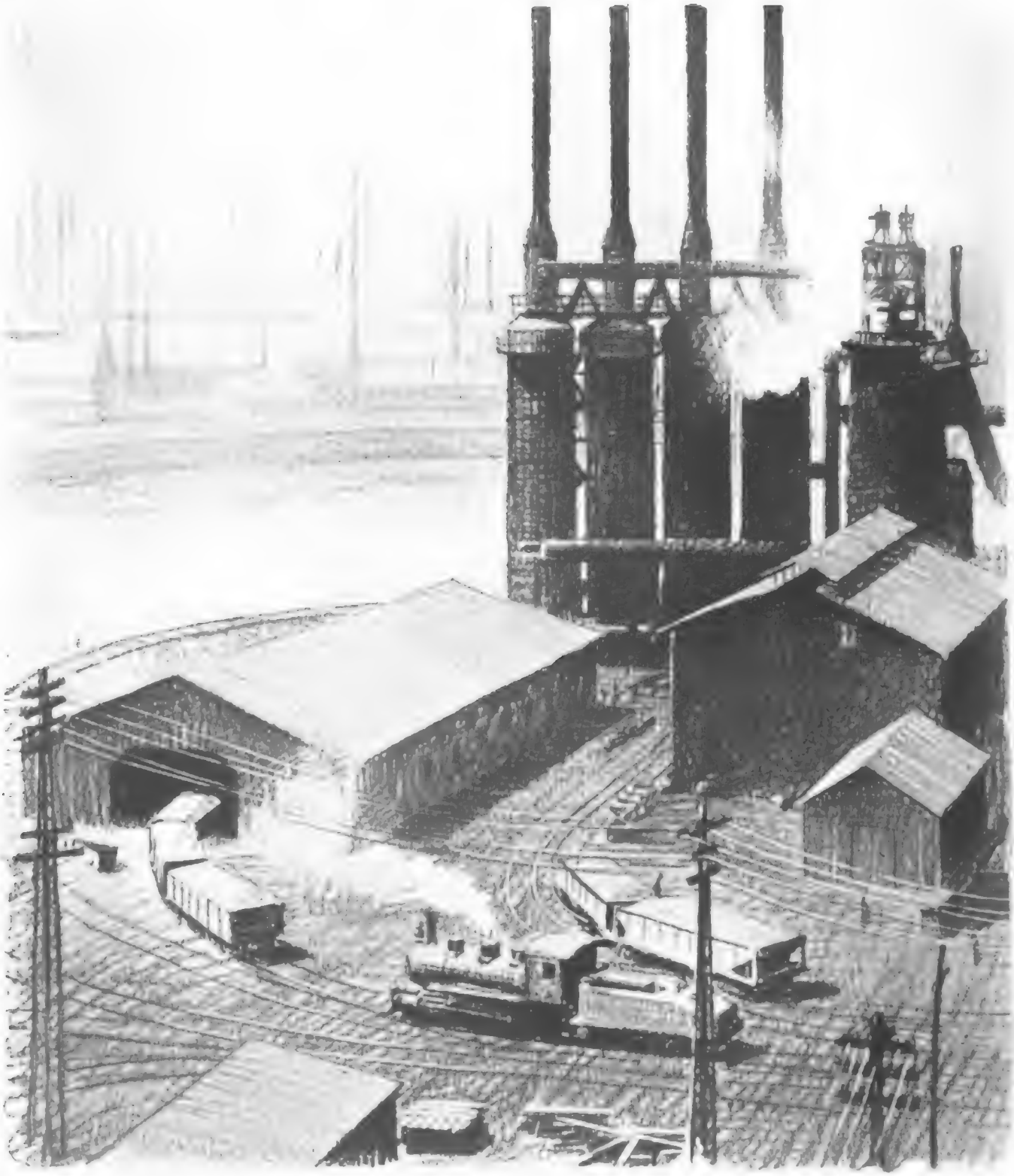


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"Home Fires" in Pittsburgh

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Philanthropy and Six Per Cent

Industrial Housing Projects Offer Cheap Homes to Workers and a Reasonable Return to Investors

By H. E. MILES

TEN YEARS ago such a thing as an industrial housing project was almost unknown to the people of the United States. Two years ago 650 such projects were under way. Today the number is not less than 1,000. Illustrations and particulars would fill volumes. The federal government spent $112,000,000 in war housing, much of it of the best quality. War costs were high and the losses may be considerable. In some cases the government, in advancing funds, guaranteed the underlying local corporations against loss up to 30 per cent. We are assured that this experience need not deter shrewd financiers from undertaking these projects now.



Erecting fabricated houses at the Youngstown Sheet & Tube Company project. Structural sections were cast in a central casting yard, loaded upon trucks by cranes, hauled to the building sites and there hoisted into place by traveling derricks.

In addition to the federal projects and those described in this article may be mentioned those of the Buckeye Land Company, subsidiary of the Youngstown (Ohio) Sheet & Tube Co.; Crane Village, Bridgeport, Conn.; Colonial Gardens, Chicago; Economical Homes Association, Elizabeth, New Jersey; the Norton Company, Worcester, Mass., and the Worcester Housing Company; the Akron (Ohio) Home Owners Investment Company, with $5,000,000 capital, which is considering a general city plan, and the Coventry Land Company, of Akron, which has completed plans for 100 homes at $5,000 to $6,000 each, to be built at Firestone Park, the housing development of the Firestone Rubber Company. In San Francisco the Crocker estate is planning to build 1,000 homes for workers.

The situation is acute in virtually all great cities, notably Philadelphia, Cleveland, Cincinnati, Lawrence, Mass., Charleston, S. C., New York, Milwaukee and Seattle.

It is estimated that the country is short 1,000,000 houses. Rents are doubling. New homes should be built for millions of people now improperly housed.

The condition in our large cities is illustrated in New York, where 500,000 people live in 350,000 dark rooms that sometimes run back three and four deep from the street, with no natural light or ventilation except through windows from one room to another.

"In nearly all industrial centers there is a shocking lack of homes for workers," says F. L. Ackerman, a New York architect and authority on housing problems. "A vast number of our working population live in slums and in buildings utterly unfit for human habitation. In New York City alone three million people today are living in slightly-altered 'old law' tenements. The cities of the East, the cities of the Middle West, and the cities of the Pacific Coast disclose the fact that millions of our citizens are living under conditions that are actually wretched."

The United States is alone among the great nations in having only restrictive housing legislation. This never has accomplished more than the elimination of the greatest abuses, and even these regulations are sacrificed in time of need; for instance, the New York Housing Commission cannot require ventilating shafts in the dark tenements because the owners would sooner evict the tenants and use the buildings for other purposes.

We should guard against an epidemic of bad building and of profiteering at this time as we would guard against the plague. Bad houses mean tuberculosis, sin, crime, death. We must have thorough-going, constructive action and such legislation as will provide workers with homes of good quality and at the lowest cost.

"Socialism!" some will cry—some even who have no definite idea of what socialism is. The post office is not socialistic. The creation of national banks, by which community funds are made available for the manufacturer and others at low rates, was not socialistic. Nor the recent land-bank law that liquifies agricultural wealth and makes the farmer financially comparable with the business man. Constructive housing and home building legislation is a corresponding recognition of the working men and their right to similar financial support from community funds upon security as good as any, on rates that are non-usurious and on terms that are non-speculative.

When Representative Tinkham presented his bill in Congress in July, 1919, he made the following significant statement:

"All countries in Europe, and most of the British colonies, have taken governmental action to enable the industrial worker to provide his family with a house and decent living conditions. Even before the war Great Britain, France, Germany, Austria, Belgium, Denmark, Hungary, Italy, Norway, Sweden, Luxemburg, Rumania, Spain, Switzerland, Canada, Australia, New Zealand, Cuba and Chile had provided through subsidy, through loans from public funds, or through some other form of government aid, the decent housing necessary to maintain the health and the vigor of their people."

Based as it is on long experience, the housing program of England at this time is one of the most inspiring post-war developments. In July, 1918, the British parliament extended the housing acts of 1890 and 1909 and made it mandatory for local government authorities to provide housing for industrial workers. Whenever these authorities fail to act the local government board may take necessary action

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Fifty houses like these were built by the Youngstown Sheet & Tube Company for those of its employees that are foreigners of the better class. The houses were sold at cost on terms of 10 per cent down, the remainder to be paid at the rate of 1 per cent a month or more and to bear interest at the rate of 5 per cent.

and charge the cost to the local community.

England is determined to rebuild its entire industrial structure—man, machinery and transportation. Says C. W. Barron in the Wall Street Journal:

"England is beginning with the essential machine, man, and strengthening him physically and mentally. Instead of the 100,000 homes previously planned with governmental support, she now purposes to assist in constructing one million homes at an average cost of $3,000 each. The program calls for $3,500,000,000—a sum equal to her entire pre-war debt. England is reaching out for timber and other building materials, as she is reaching out for oil, and she will build and sail and defend as never before. As Lloyd George says, 'You cannot maintain an A-1 empire on a C-3 population.'"

In England the Public Works Loan Board lends government funds to local government boards and privately formed housing corporations, thereby securing to the workman a great saving in interest charge. These loans run as long as eighty years on land and sixty years on buildings. Before the war the government rate was 3½ per cent. The war increased this rate to 5 per cent, but it is not expected that this rate will be permanent.

"The immediate need in England, Wales and Scotland," says Mr. Barron, "is for 500,000 houses, with an additional supply of at least 100,000 new houses per annum for increasing population—one million houses in five years." The vast expenditure entailed by this program will run over a longer period, however, owing to the scarcity of both labor and materials.

As England is about the size of our average state—Wisconsin or Illinois, for example—it may be a question whether her course points more towards action by our several states with their close contact with local conditions, or by our federal government with its loose affiliations and still looser methods. In all foreign countries the work of private housing associations thus far has equalled in volume the work performed under direct government action and we may hope, with our preference for local initiative, that such initiative in our country will speedily go far without waiting for federal action.

In France, despite the effects of the war, fourteen organizations are developing garden cities in the areas that escaped damage; this aside from the contemplated building of 550,000 houses in the devastated regions. Under the Cheap Dwelling Bureau of the Department of the Seine, Paris will soon have six new garden suburbs. The objectionable gridiron or right-angle layout, almost universal in America, is taboo. Experts have concluded that "since some people prefer to live in apartment houses and since they are convenient for certain classes, like bachelors, widows, traveling salesmen and families without children, apartments should be provided in limited numbers and with careful restrictions as to the number of people to the acre, the percentage of the lot to be covered by the building, the size of the open space and the height of the building."

The Canadian parliament has granted a federal loan of $25,000,000 for housing purposes to be apportioned among the provinces and utilized by local housing corporations after the English fashion.

In Belgium, up to 1913, by the use of underlying government credit, 300,000 people had been housed through the activities of 176 local housing associations, whose general officials serve without pay. In 1913 $32,000,000 of the funds of the General Savings Bank were invested in housing projects. In that same year forty Belgian housing societies and associations, with a total investment of $16,000,000, were thriving without aid from the government.

Housing activities in Germany began as long ago as 1888 with the building of houses for municipal employees by the city of Ulm under the direction of the obermeister, Dr. von Wagner. This pioneer project was managed well; so well that for one mark (25 cents) a day, the occupant of an attractive story-and-a-half cottage with a garden, costing $1,500 in all, acquired title in twenty-five years.

The contract and deed give the city the right to repurchase any time within 100 years, and as the deed is renewed upon sale or death of the owner, the unearned increment accrues to the city itself. The contract also contains proper provisions for use and upkeep. The city owns more than one-third of the land on which it is built, and with respect to its wealth, upkeep and prosperity, it is a remarkable example of what to do and what not to do. Many other cities in Germany have followed the example of Ulm.

Any housing project, of course,



Houses built by the Worcester (Mass.) Housing Corporation, promoted by the Worcester Chamber of Commerce. The stock pays 6 per cent and is sold to manufacturers, each subscribing for an amount equal to the cost of the houses he wants built for his employees.

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must benefit the entire community, but the people most vitally interested are the workers themselves. We can no more afford to have our wage-earners pay extravagantly, either in purchase or rental of homes, than we can afford to charge industry exorbitant rates of interest. Houses should be built for working people by the best methods of construction, with cheap money, and sold on a basis of solid credit and no risk.

On the other hand, business capacity nowhere shows to better advantage than in the new housing projects. It has been abundantly proved that stock in a properly-managed housing corporation is entirely safe: that it is quite as desirable as real estate mortages or first-class bonds.

It is estimated that the cost of building a house today is at least from 25 to 30 per cent more than it was before the war. The elements of material and labor in the building trades are exceedingly diverse. Houses cannot be built cheaper until prices of labor and material decline, and a general decline is not expected. Mortgagors are commonly lending now on pre-war margins, although some are asking an extra 20 per cent. This entire 20 per cent can be saved to the purchaser by the new methods of large scale production.

The House Financing Corporation of Detroit has a capital of $3,000,000; its shares have a par value of $100 each, and most of the greater industries of the city are stockholders. This corporation expects to effect a saving of from $1,000 to $1,500 on each $5,000 house. Such a saving, with the increase in the value of the land where garden villages are built on open tracts, affords sufficient margin of safety for the loan. In Detroit, however, homes are to be built anywhere in the city, hence the appreciation in the value of the land will be comparatively slight. The home buyer in Detroit, therefore, must have a lot free and clear, and the loan is not to exceed 75 per cent of the total cost. In Detroit, too, Henry Ford has laid out a large tract and perfected plans for 3,000 houses, the building program to await the completion of a mill in which stock will be cut to standard sizes.



The houses built by the Worcester Housing Corporation cost from $850 to $900 a room. Shrubs and garden plots will be developed and ivy will be trained up the walls.

Several of the problems involved in industrial housing have been admirably solved by the Youngstown (Ohio) Sheet & Tube Company. Plans provide for three classes of employees—Americans who can afford to buy homes on easy terms; intelligent and ambitious foreigners, and, last, foreign and negro laborers who can only rent.

For the first class a 220-acre wooded hilltop plat was laid out. One hundred frame houses were built and sold to Americans; fifty more are under construction, and another 100 will be built next summer. These houses are two stories high and have five, six or seven rooms, with bath and furnace heat. Each house, with at least a fifty-foot lot, is sold for approximately $5,000.

In another plat, containing eighty acres, fifty houses were built and sold to foreigners of the better class. In size and design these houses were almost similar to those sold to Americans. In both plats trees have been preserved, so far as possible, and the services of the company's landscape gardener are available to the property owners. The houses in both these tracts were sold to employees at cost on terms of 10 per cent down, the remainder to bear 5 per cent interest and to be paid at the rate of 1 per cent or more each month.

The most interesting achievement in the Youngstown project was the erection of 281 concrete houses, proof against vermin and fire, by 200 laborers in less than a year. These houses, erected by the Unit Construction Company, were pre-cast in structural sections in a central casting yard, the sections being transported by trucks to the building sites and hoisted into place by traveling derricks.

The first group of 146 houses cost $3,419.74 each; in a second group of 135 houses the cost was reduced to $2,107.74 each. The concrete houses are occupied by negro laborers and by the lower class of foreigners. They are rented only, and are available only to those employees approved by the welfare department.

The tract on which these concrete houses are built lies across a river from those built for the Americans and the better class of foreigners. A ravine running through the forty-acre tract was beautified into a park to serve as a natural divide between the whites and the negroes.

In Worcester, Mass., the Worcester Housing Corporation, promoted by the Chamber of Commerce, sold its capital stock, limited to dividends of 6 per cent, to manufacturers in proportion to the number of houses each wanted built for its employees. It



Concrete houses built by the Youngstown Sheet & Tube Company for its negro workers and foreigners of the lower class. The houses in one group of 146 cost $3,419.74 each, but in a second group of 135 the cost was reduced to $2,107.74 each.

Continued on page 25

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A Lesson in Wages

How We Showed Our Workers the Relation Between What They Do and What They Get

By H. C. OSBORN
President American Multigraph Co.

LABOR and capital are both looking for a living wage on their investment in industry. In addition, they are looking for an equitable distribution of profits after a moderate surplus has been accumulated to care for immediate needs. Since their interests are identical, they should pull together, side by side.

Capital at times has considered that its sole function has been to produce profits, rather than to serve society. Labor at times has made the mistake of thinking that its sole object was to obtain the highest wages with the shortest hours of work, without considering the public or the effect on rising prices. Occasionally we find a hidebound capitalist who looks at labor as a commodity; occasionally, too, we find a radical labor agitator who pictures capital as that part of society whose chief aim is to exploit labor. The radicals today are greatly in the minority and the fact that they exist at all should deter no one from trying to bring about a more harmonious relationship between the two vast forces in our industrial life.

The problem, then, is to get the laborer to understand the capitalist's viewpoint and the capitalist to understand the laborer's viewpoint. Capital and labor must serve society, and they can do it only by working in harmony. Capital needs labor; labor needs capital. The world needs what they produce.

This understanding must be brought about by the management. The medium to be used is education. Since both sides cannot be right, or wrong, and yet disagree, there must be a common meeting ground.

Capital comes nearer to understanding labor's viewpoint than labor does to understanding that of capital. In general the laborer thinks of the financial side of the business as something shrouded in mystery. He does not comprehend such terms as overhead, depreciation, financial problems and financial resources. Too few think beyond the pay envelope. Too few have been invited to think beyond it. There should be no mystery about the financial side of the business. The quicker all workers get the clear idea that the cash which they receive comes from the customer, the sooner will carelessness and shoddy work disappear, to be succeeded by pride in good workmanship.

Because the American Multigraph Company is a representative industry employing in normal times between 750 and 800 persons, it faced much the same problems other corporations were facing. Most of our laborers are skilled, yet few are confined to one machine for the entire day. I wanted to see some means of restoring to industry that personal, intimate touch that vitalizes small endeavors, but that seems to wane as a business grows. I wanted each American Multigraph employee really to know this business of ours; to understand what we were doing and why we were doing it.

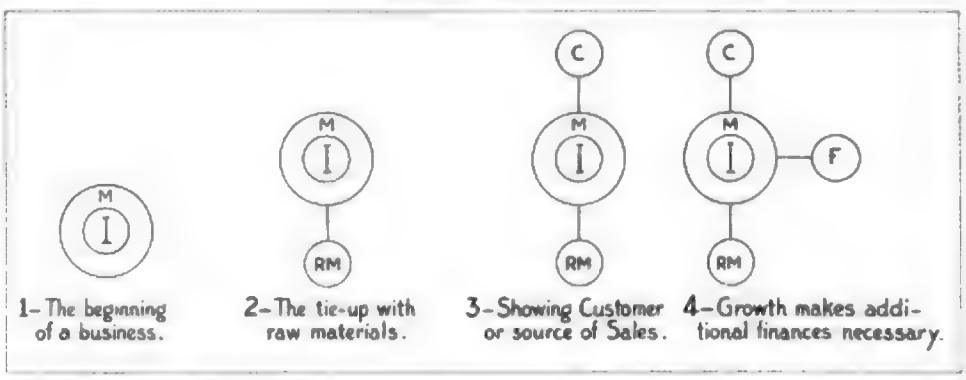
To this end I called all the employees together in my first frank bid for a greater understanding between the capital and labor elements of a business. I did not talk in high-sounding terms that would pass over their heads, but in terms they could understand.

I STARTED by defining a capitalist as one who invests his money in corporation or other securities with the hope of returns in the form of interest or dividends without taking any part in the business. I then defined a laborer as one who uses his mental or physical ability in gainful pursuits. I pointed out that a man may be a capitalist in one industry and a laborer in another. I asked how many in the gathering had bought Liberty bonds, and showed them that the majority of them were capitalists. At length I emphasized the point that a capitalist is a passive or inactive partner in a business, while a laborer should be considered an active partner.

Having a blackboard handy, I drew a circle which I labeled "I" for the idea around which any business is built. Around the first circle I drew a second, which I designated "M" as management, representing one or more persons who believe they can commercialize the idea. Assuming that the concern purposed to manufacture and sell a commodity and that the labor, management and capital were vested in one person, I showed them that from some source this manager must obtain raw material.

This source I represented by a circle drawn below the management circle and connected to it by a straight line. Then I pointed out that this only half completed the cycle, for the enterpriser, or manufacturer, must dispose of his product and through his sales obtain money or credit with which to get more raw materials, pay his expenses and figure a profit. There must be a source of outlet for his product; he must turn his article into cash. So I drew a circle, C, above the management circle to represent the customer.

That little chart was complete so long as the individual could manage his business, do all the work, and sell the goods himself. But we assumed that with normal growth the first assistance called for would be financial. To carry the idea step by step I assumed that the owner interested a friend in the enterprise. Through a partnership arrangement this friend invested his money in the business, but remained a silent partner. To illustrate his connection with the enterprise I drew a circle to the right of the main



By means of these charts Mr. Osborn illustrated the growth of an enterprise from the time the idea is conceived until expansion makes it necessary to obtain additional capital. *I* represents the idea; *M* the management; *RM* the source of raw material; *C* the customer; *F* the source of the required capital.

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circle and designated it "F." for finance. Labor was the next thing the business required, so I drew a circle to the left and lettered it "L." connecting it to the management circle as I had done with the others.

At this point I explained that they had before them the four parties necessary to a manufacturing industry surrounding the fifth party, the management. As the facts on this chart were apparent to everyone in the room it was quite easy to convince them that the proper co-ordination of these four factors was absolutely essential to any successful business. This was the problem of management.

As we developed the business to that stage, so we developed it to the next—where the business grew until it needed more capital, more silent partners. This led to the definition, by example, of a corporation.

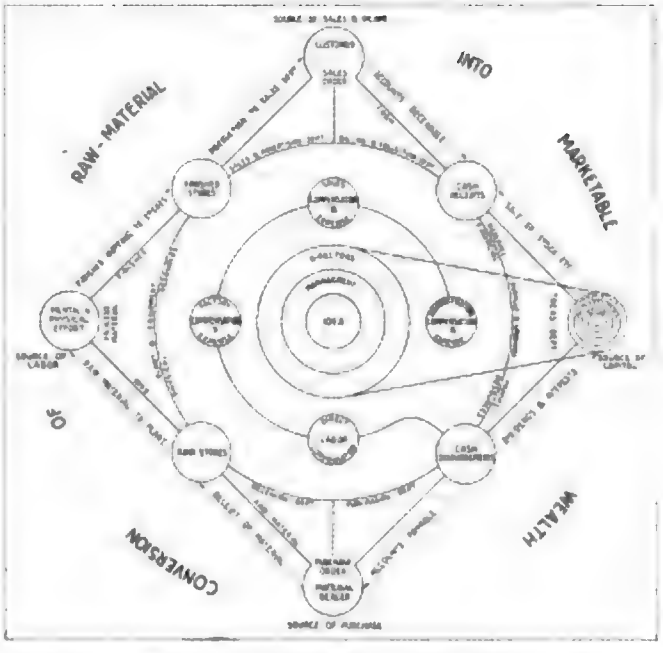
"These silent partners," I told them, "form what is known as a corporation. The corporation must be chartered under one of the States of the Union, setting forth in its articles of incorporation its purpose and field of activities. The partners issue shares of stock in the corporation, these shares representing fractional ownership in the assets of the corporation and also rights to earnings in the form of dividends."

THE employees agreed with me that it would be impossible for all of the stockholders to supervise the management and pass upon the policies and other activities that continually arise. They followed my explanation of the election of a board of directors to direct the management of the concern for one year. They saw that since many of the directors would not be directly engaged in the management, large responsibility would be given to the president, vice-president, secretary and treasurer. To visualize this idea I drew a circle around the management circle to represent the board of directors and connected the new circle with the source of capital to show the source of the directors' authority.

I then made a separate chart of finance and analyzed it. A small circle in the center represented credit; the second circle notes and bonds; the third, preferred stock, and the fourth, common stock. In explaining the relative position of the holders of notes and bonds, common and preferred stock, I used the case of a possible dissolution or outright sale of all the assets of a corporation. I showed that the workers, through the Mechanics Lien, have the first call on the funds realized to satisfy wages, next the creditors, then the holders of bonds and notes, then the holders of preferred stock. The holders of common stock divided the remainder among themselves, provided there was a remainder.

Having completed the explanation of the organization, I took up the question of responsibility for the success or failure of the enterprise. Reviewing the charts, I pointed out that labor, capital and the dealer in raw materials must look through management to the customer for their return, for, aside from the original payments by capital, the customer is the only source of income.

This gave me the chance to clear up two commonly mistaken notions—first, the one held by labor that any increase comes from capital; second, that of capital in thinking that it can increase its own returns only by cutting the wages of labor. As a matter of fact, the only increase either can expect will be obtained through higher efficiency and lower costs. These two factors insure increased sales and a return large enough to satisfy labor, capital and the dealer in raw material. If the return is not large enough, I argued, capital will be the first to suffer; then the raw material dealer, and lastly, labor. But in case any of the four are not satisfied, their support will be withdrawn and the concern can not function.

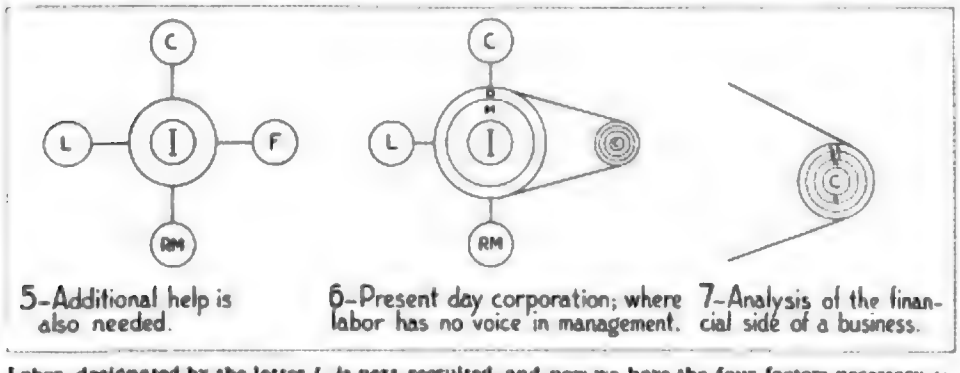


This chart visualizes the functioning of the various departments within the industry after it is established.

As for the actual payment of the return, I showed them that in our own concern labor waited but ten days; raw material dealers waited according to the terms—ten to sixty days—while the common stockholders had waited ten years for a return. Quoting percentages from the American Multigraph Company for last year, I explained in detail the distribution of income in our corporation as follows:

	Per cent
Factory payroll	35.6
General office	1.6
Sales (pay and commissions)	10.5
Factory overhead	7.2
General office overhead	6.9
Sales overhead	6.4
Raw material	13.3
Dividends	7.5
Taxes	6.1
Surplus and reserves	4.9

Then I discussed with them the question of wage increases to bring out the point that the man working for us at $1 an hour and producing five articles is earning more for the company than the man at 60 cents an hour who produces only three articles. This point, not easily understood at first, I made clear by showing them that overhead charges for the factory, the office and sales departments remain practically the same notwithstanding the company receives two more articles an hour. This overhead must be shared



5—Additional help is also needed.

6—Present day corporation; where labor has no voice in management.

7—Analysis of the financial side of a business.

Labor, designated by the letter *L*, is next recruited, and now we have the four factors necessary to success. The large circle, *D*, in the second chart, represents the board of directors. In chart No. 7, *C* represents capital; *B* bonds; *N* notes; *CS* common stock; *PS* preferred stock.

(Continued on page 32)

Trained While You Wait

What the Dealers Learn in a Manufacturer's Short Course in Merchandise and Salesmanship

By FRANK E. FEHLMAN
President Churchill-Hall, Inc.
New York

DURING the four and one-half years that I was associated with the H. W. Gossard Company in Chicago in charge of sales and advertising, I had the good fortune to meet personally upwards of 10,000 retail saleswomen and men, and I saw more than 3,000 of the women graduated from the Gossard School for Corsetieres.

Our national advertising did not produce the direct returns in retail stores which we thought it ought to produce. After a three months' personal investigation in all parts of the country, I convinced Mr. Gossard that we ought to have a school where we could teach women not only how to fit corsets, but also how to sell them. This school grew from a very modest beginning to a permanent institution running forty-eight weeks in the year, classes being formed every Monday morning and graduated the following Saturday morning.

The examinations were real tests of capacity. Each graduate received a diploma and went back to her home town as a graduate saleswoman and a corsetiere, not as a clerk.

It is plain that if the average sales person is to have an opportunity to educate himself, or to receive any specific education, he must study and learn either during his evening hours, or in the morning before he goes to work, or at some short course planned by the manufacturer or by large retail organizations.

Few manufacturers know how to teach; few sales managers know how to teach. That is nothing against them; it is simply a statement of fact. Few school teachers know how to teach quickly, because they have been trained to take from four to eight years in preparing any student for his final examinations. The retail salesman must get his education quickly, and he must get most of his information through his sense of sight.

One of the most successful of my later ventures in intensive educational methods for retail salesmen is that which I have worked out for the J. & T. Cousins shoe organization of Brooklyn and New York.

Probably no better shoes are made in the United States than the shoes made by this old-established house. Its distributors are scattered throughout every state in the union. Its first school, held at the Astor Hotel during the week of July 14, 1919, was one of the most interesting and progressive affairs that I have ever had the good fortune to be associated with. Shoe salesmen and buyers came from as far west as Butte, Montana, as far southwest as New Orleans, as far north as Maine and as far south as Florida.

The average salesman has been out of school a long time and does not become enthusiastic about going to school and studying three hours in the morning and three hours in the afternoon during the third week of July, so in this course it was very necessary that something dramatic be presented to get his attention and interest. The entire instruction was divided into four groupings:

(1) An intensive study of the merchandise itself;
(2) A study of the customer;
(3) A study of the selling plan, which included fitting;
(4) A very frank and penetrating discussion of the salesman himself.

The instruction was all planned and worked out so that each salesman who studied the course could take voluminous notes, diagrams, charts, photographs, pamphlets and other material back to his store and act as the leader of a class in salesmanship in his own store. This has been done in hundreds of cases, not only in the shoe line but in men's clothing, women's ready-to-wear, the corset field and the field of plumbing specialties.

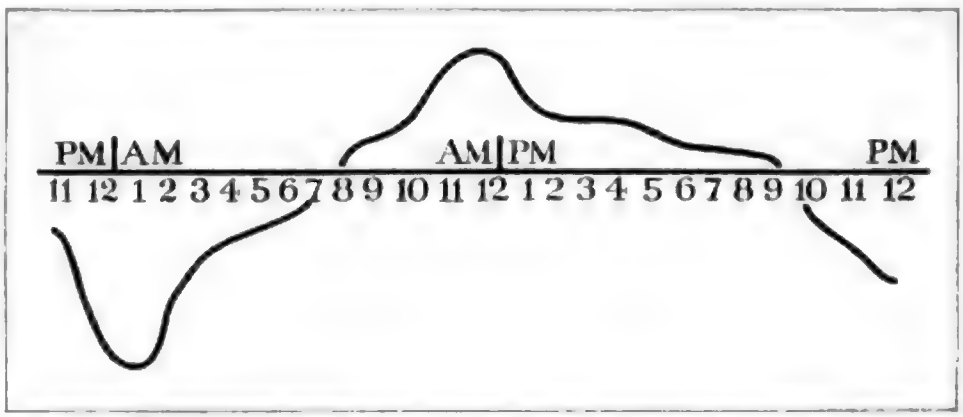
The fact that the saleman is going to go back home and give to his associates this information puts him on his mettle and makes him all eyes and ears so that nothing shall escape him, and so that all of the best information and instruction can be taken back and given to the other salemen in the store.

OF COURSE nine salesmen out of ten are skeptical when they enter such a school. They cannot see how it is possible to learn anything radically new about their own line of work, and they cannot see how much can be accomplished in so short a time. Probably more than one army officer felt the same way when the first Plattsburg school was organized and it was proposed to make officers in three months. These officers had spent a good four years at West Point and one can scarcely wonder at their doubt.

So to get these men and women enthusiastic in the first session has always been somewhat of a problem—a problem which I have solved in my own work by insisting that selling revolves around four general subjects—the merchandise, the customer, the selling plan and the salesman himself.

Just why this simple statement would interest salesmen I do not know, but I never have seen it fail when it was forcefully put to them and they were asked to write down these subjects in their notebooks.

When we studied merchandise we had two factory men teach in two sessions of one and one-half hours each on Monday



The chart shows how the customer's mental activity fluctuates during the day. In this article Mr. Fehlman tells how the salesman can turn this knowledge to his own advantage

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How Would You Go About It To Sell These Men?



These are the heads of five representative American business men. Which one has the "show me" type of mind? Which would sell himself? Which drives the closest bargain? Suppose every one is accustomed to a certain brand of shoe: to how many of them do you think you could sell a different brand?

morning and Wednesday morning the facts about materials, findings and manufacturing processes involved in making women's shoes. These men not only were well informed regarding their own particular line of work, but they had spent enough time with me and with the sales manager to grasp our objective, which was to bring to the salesmen only selling information.

The factory buyer, who talked on materials, discussed the origin of kid skins. He explained that leather has always been a by-product. Animals never have been killed for their leather. They are always killed for their meat. He showed how the elimination of shipping between this country and India during the war had practically reduced our surplus stocks to nothing, and he then showed what proportion of hides were accepted by their own buyers. Of a group of 100 hides not more than thirteen or fourteen can be used in the quality of shoes made by this company. This revelation gave the salesmen quality arguments about the product—arguments which they never had known before.

The buyer also showed the relative cost of cotton linings and leather linings, and of the various accessories used in the shoes. Instead of using cotton stitching, the company uses silk stitching on all cloths. He then demonstrated, with charts and hides, the location on the hides of the best sole leather. He revealed that certain hides are sometimes split three and four times, and while the soles may look as well as A No. 1 quality, they probably will wear no more than one-third as long.

When the buyer completed his discussion he pointed out the four outstanding features of Cousins shoes to be impressed upon the customer if she hesitates when the price is announced:

(1) The extra quality of the upper leather;
(2) The extra quality of the sole leather;
(3) The extra quality of the thread, linings and nails;
(4) The average long service of all of the Cousins operators.

One man who had bought and sold shoes for twenty-six years showed me his notebook at the conclusion of these two lectures, and it was one of the finest pieces of reporting I have ever seen. He stated that more than half of this information was new to him. As he took down his notes he added his own observations and made special points of things which he wanted to emphasize to his own people when he returned home.

MERCHANDISE ordinarily is a dry subject in any school, but with the aid of charts, raw materials, maps and shoes in different states of manufacture we were able to present an exhibition which I never have seen duplicated.

The factory men, when approached properly and given time to prepare the information and then get the viewpoint of the retail salesmen, can in most cases outshine the ordinary sales instructor, who deals largely in generalities.

After the merchandise and its original sources were thoroughly covered we then approached the customer, who in my judgment is the most important link in every transaction. Merchandise can be learned by any one who will spend a few hours each day with the product itself, but tens of thousands of salespeople never get a correct appreciation of the customer.

To me a customer is the most important person in the world outside of my immediate family. I have made this statement hundreds of times to salesmen and then have explained my viewpoint as follows: He pays my rent; he gives me my weekly income; he pays for my street car fares, my life insurance; he provides for my summer vacation; he keeps my business solvent; he makes possible every enlargement of my business; in short, he is my never-failing "meal ticket."

Too many salespeople have the idea that stores are conducted for the benefit of everybody except the customer. Customers are arrogant, they are self-satisfied, they are in a hurry, they are looking for bargains, they ask to see everything in the place—and they don't buy. All of these things are continually rushing through the salesman's mind. He is having this experience every day. It never occurs to him that the customer has a perfect right to do these things and that the reason the customer does these things is invariably because his past experiences with salespeople have convinced him that the average salesman is indifferent and careless; that he knows but very little about the merchandise he is selling, much less about the whims of customers and the actual uses of the article which the customer is trying to buy. So until the salesman thoroughly understands that the customer is always the boss, is always to be catered to, he cannot hope to make much progress.

After we establish this point, we

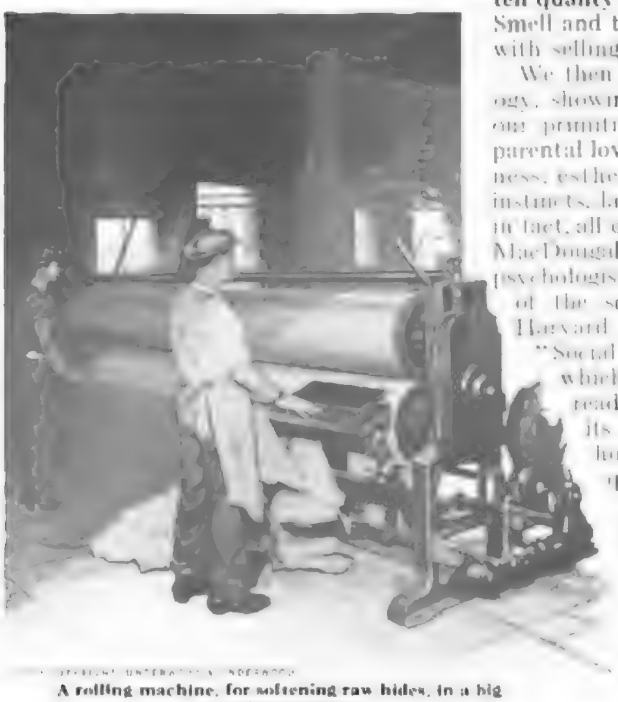
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then take up a study of the customer's five senses, of his physical proportions, what eyes, nose and gestures mean in reading the customer's character quickly. With this we study many different phases of psychology developed in the last five years. We point out that the mental age of most customers, in this country at least, is 13⅓ years. In other words, the average customer has the mentality of a boy or girl less than 14 years of age.

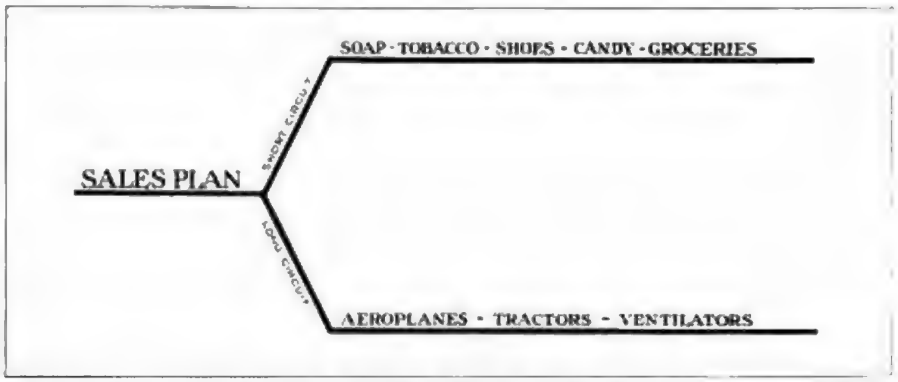
If this be true, and I believe it is true, then it is very important that the customer be talked to in a very frank, plain, outspoken way, and no attempt should be made to argue his statements, or use words which the customer does not understand. Customers don't admit their ignorance in front of salespeople.

Starting with this premise—that the mentality of the average customer is that of a boy or a girl less than 14 years of age—we take up first a study of the five senses. We show the "jokers" in the sense of sight, hearing, touch, taste and smell. The psychologist has shown us that the eye is the avenue through which we most often approach the mind. The ear is next, and touch is next. Taste and smell are very low in the scale of the human development. There are only four divisions of taste—bitter, sour, sweet, and salty—while the eye can record more than 40,000 different sensations. The eye, however, is more easily fooled than is any other organ of sense.

For instance, there is always one best way to show a shoe if you want to convey the impression that it is long.



A rolling machine, for softening raw hides, in a big American tannery



"Under short circuit selling articles we classify everything which our forefathers have used. Under long circuit selling articles we classify everything which our parents knew nothing about or did not buy and which are practically new to us."

The simplest way is to take hold of the top and the back of the shoe and hold it up so that the toe points downward and outward. If a woman wants her foot to look small the salesman picks a shoe that has a short vamp.

We then show the "jokers" in hearing by a simple test. The best place to stand when you are talking to a customer is either on the right side or on the left side of him. Never stand directly in front. Any noise or sound made directly in front, directly over or directly back of the customer is difficult to locate. Close your eyes and have someone make a noise three feet in front of you, directly over you or behind you, and then point to where you think you heard the noise. You'll be surprised at how many times you miss the location of the noise.

Touch is a sense we don't pay much attention to because few people can tell quality by feeling the material. Smell and taste have nothing to do with selling shoes.

We then take up social psychology, showing the relative value of our primitive instincts of fighting, parental love, love of crowds, selfishness, esthetic instincts, religious instincts, law and order instincts—in fact, all of the instincts listed by MacDougal, the eminent English psychologist who is now at the head of the school of psychology at Harvard University. His book, "Social Psychology," is one which every salesman should read and re-read because of its great value in teaching how to analyze people quickly.

By means of a chart we show how the customer's mind goes up and down throughout the day. The customer retires at 11 o'clock, sleeps very soundly for two hours. Suppose he wakes at 7. His mind is very slow in the morning, but between the hours of 11 and 1 we find his mind very active. In fact, it reaches its greatest activity during these two hours. After lunch the mind goes down. Later it goes up slightly, but from 3 o'clock on the mental activity of every customer is going down.

Hundreds of stores which have kept records at my suggestion have found that most of their "kicks" have come in between 3 o'clock and 6. The salesman is shown how to overcome this serious handicap of cranky customers. He is told that his mind works the same way, but because he understands the law he can mentally take hold of himself and resolve that from 3 to 6 no customer will get him upset or off his guard.

ONE salesman in a New England clothing store tells me that with him cranky customers are a thing of the past. They come in cranky, but they leave happy. We urge the salesman to wash his face at 3 o'clock with either cold or hot water; to brush his hair, clean his shoes, step to the rear of the store and get some fresh air for three or four minutes, then come back on the floor and defy any customer to upset him or cause him to say something sharp when the customer makes a sarcastic remark about the store, the service or the merchandise.

This one simple plan can be adopted by any salesman today, and as the days roll by and cranky customers are eliminated you can very quickly check the increased sales made during the late afternoon hours.

Customers are also analyzed right out of a group of salesmen. I have the salesmen walk from the chairs they are sitting in to the platform, and during that brief five or ten seconds I appraise them and tell the other salesmen how I would approach this customer or that one in selling him a suit, a pair of shoes, groceries or anything else which he might be buying.

Any salesman can learn how to do this. Thousands have been taught

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how to do it in the brief five days that the schools are conducted.

Of course one cannot become proficient in reading character in five days, but a principle can be studied, remembered, put down and then applied in the salesman's daily work. The principle can be summed up under five groups of persons. The first group comprises those individuals who have large, well-developed lower foreheads right over their eyes. These persons we term the "show me" customers. They want to see everything; they want to hear everything; they want to taste everything and touch everything; they ask numberless questions. With this type of customer the salesman assumes the role of an expert question box. He answers questions and does not attempt to argue. These customers do not reason a great deal. They are nervous, they work fast, so we advise that the salesman calm down and not work fast except as he attempts to answer questions promptly.

The second group comprises those persons who have large, well-developed upper foreheads—men like Mr. Taft. These persons are judicial and of the reasoning type. They will listen to you talk for a long time, but they very carefully check up everything you say. "Reason why" customers do not always buy the first time they come into the store. If the salesman knows this he does not worry about losing a sale because very often these customers come back.

The third group consists of those persons who have large, well-developed top heads directly over their ears, with

(Continued on page 30)

Traveling Show Windows

IF YOU are a sight-seer in Boston and walk down Washington street it is more than likely that you will observe an especially handsome pair of white horses drawing what looks like a large moving van, painted a bright yellow and equipped with plate glass windows, two at each side and one at the end.

These traveling show windows are filled with the best wares of S. S. Miller & Son — trunks, traveling bags, suit cases and other equipment for travelers — and have been a common sight on the streets of Boston for the last three years.

Charles Miller, the "Son" part of the enterprise, says that the traveling show windows produce more than satisfactory returns; that the returns, in fact, can be checked up almost as closely as the returns from window display or a page advertisement.

"Inasmuch as the wagon is equipped with five windows, we can trim any part by itself," says Mr. Miller, "and we change at least one part of the display every month.

"In January the display features our annual clearance sale.

"During February and March we feature brief cases and portfolios. Those months are between seasons; moreover, that is the time when the various business shows are held and when lawyers seem to be in the market for brief cases and business men for portfolios.

"In April we feature ladies' hand bags, envelopes and similar supplies.

"In May our repair department gets its innings; that is one of the big trims of the year. The feature of this display is the life-size figure of a man working at a stitching horse. Around him are a lot of old and worn-out bags and other luggage, and near by is a display of baggage that has been repaired. The contrast is emphasized by a sign that reads, 'THESE will be made to look like THESE,' the first 'THESE' referring to the worn-out bags, the second to those that have been repaired.



The Miller van has five separate display windows. Each can be trimmed independently.

"Another sign invites the reader to phone in his order. The appearance of this display on the street is always followed by a big increase in repair work; usually we are obliged to add a number of men to our repair department.

"In June and July we feature our Vacation Sale and our summer luggage. August is an 'off' month, and that is when we take the wagon off duty for overhauling and repainting.

"In September and October we go after the school bag business, and that, by the way, is the old cart's banner season. We display the figure of a worker sewing our 'Miller-Boston Bag', and a sign, 'We Make This Bag.' An assortment of our Boston Bags and a list of prices complete the display. This feature always produces an increase of from 200 to 300 per cent in the sale of Boston Bags.

"The feature in November is the slogan, 'We pay you to shop early,' with an offer, in large type, of a discount on all Christmas business. Luggage is peculiar merchandise, and our traveling show windows are designed to meet the psychology of bag-buying. It works about like this:

"Jim Smith comes home from a trip with a worn-out or broken piece of luggage. 'Gracious! I'll have to get a new bag or get this fixed,' he says. Does he do it? No, not then. The luggage is put up in the attic, out of sight, and another good resolution is forgotten.

"Then our wagon gets in its good work. The Smiths are going on another trip. They haven't given their luggage a thought until our show windows drive up and hit their consciousness a whack.

"'Gracious!' says Smith. 'That reminds me. I've got to get a new bag,' or trunk or whatever they need. And because we have three stores at points which cover the entire shopping district, most of the Jim Smiths come to us."

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Over-the-Counter Stuff

To Get People to Read Your Ads Give them Facts They Want to Know About Goods You Have to Sell

By J. F. HAIGHT

ASK the average San Franciscan to name a few of the city's leading jewelry stores and the chances are about nine to one he will say "Samuels" before he has named more than three. Ask him who is the city's leading authority on diamonds and it is more than likely that he answers "Albert S. Samuels."

Yet there are four or five other jewelers in San Francisco whose stocks are larger and whose volume of business probably is greater. The Albert S. Samuels Company is only a dozen years old, and until a couple of years ago it occupied what was merely one of a dozen small Market street jewelry stores. The company has progressed by leaps and bounds, however, until its volume of business and its net earnings will compare favorably with those of any but the two or three fashionable leaders whose stocks are much larger. It has completely outstripped the fifty or sixty jewelry establishments with which it might reasonably be compared with respect to age, location or size of store.

And all this has come about through advertising. It is true that the proprietor is a mixer, a business-getter. But that, in itself, is advertising. His great growth, however, has come about in the last few years, for in these years the science of advertising in its restricted sense—the use of printer's ink—has been a definite and important part of his program. Samuels is a believer in the use of newspaper space—liberal space, at that.

He has another virtue, too, in that after employing an advertising man to handle his advertising he lets him handle it. He does not believe in consulting a physician and then dictating the treatment. Beyond a suggestion now and then, beyond a continuous school of instruction in diamonds and jewelry which he provides, his advertising man is given *carte blanche* to do what he will, to say what he pleases. The space is not limited. The days on which it appears or the papers in which it is run are not fixed. The copy is not edited. There is a yearly appropriation based upon a liberal percentage of the preceding year's sales. Within this limit the advertising man must stay. Aside from this he is under no restriction or censorship.

Since mine is the job of writing this advertising, this story must now take a personal turn. This isn't often done in periodicals and is a bit awkward. However, I am a nonconformist and seldom hesitate to kick over the traces. If those of you who have had the patience to come this far will be a bit generous with me I will attempt to tell in a rather personal way of the features of this advertising which have been regarded as unusual and successful and of the reasoning upon which they are based.

After grinding out copy for a variety of businesses for a number of years in a service agency, I concluded that there was something seriously wrong with my own copy and that of almost everyone else. Our retail ads were too dull. People did not read them. They were dull because they were full of extravagant and unreasonable praise of our own merchandise; of exploitation of our own virtues—virtues in which the public was not interested. People did not read our ads nor did they believe those that they did read. This was and is today a fact well recognized by merchants and is a source of great worry. Pick up your Sunday newspaper and ask yourself how much of that overwhelming mass of advertising, with its screaming headlines and its 72-point type, the average reader is willing to assimilate. For my part I rebelled at the thought of paying $3.50 an inch for space in which to fire a lot of blank cartridges.

So I determined in this jewelry business that my advertising should be read. You can't prove anything unless you get your evidence before the jury.

FIRST, then, people must be made to read. Second, they must be permitted to reach their own conclusions regarding us and our merchandise. A conclusion drawn for them—a statement arbitrary and unsupported—is not sufficient. To tell them that ours is the best store in town, our merchandise the most reasonably priced, is effort wasted. The advertising woods have been full of just such will-o'-the-wisps.

Hence, largely, the public contempt and apathy toward retail advertising. A clothier does a successful business selling "$50 suits for $30" and, with every ring of the cash register, congratulates himself upon his clever advertising. He probably believes that the men who buy those suits think they are getting $50 suits for $30. What these men actually think is that they are getting good $30 suits for $30. They merely discount his advertising statements two-fifths.

So I determined that my advertising should be read and should be believed. They may say I'm a nut, I vowed, but I will make them say something. Privately, of course, I hoped they wouldn't think me a nut.

To get people to read I had to be interesting. Therefore, I said to myself, I will talk to them just as
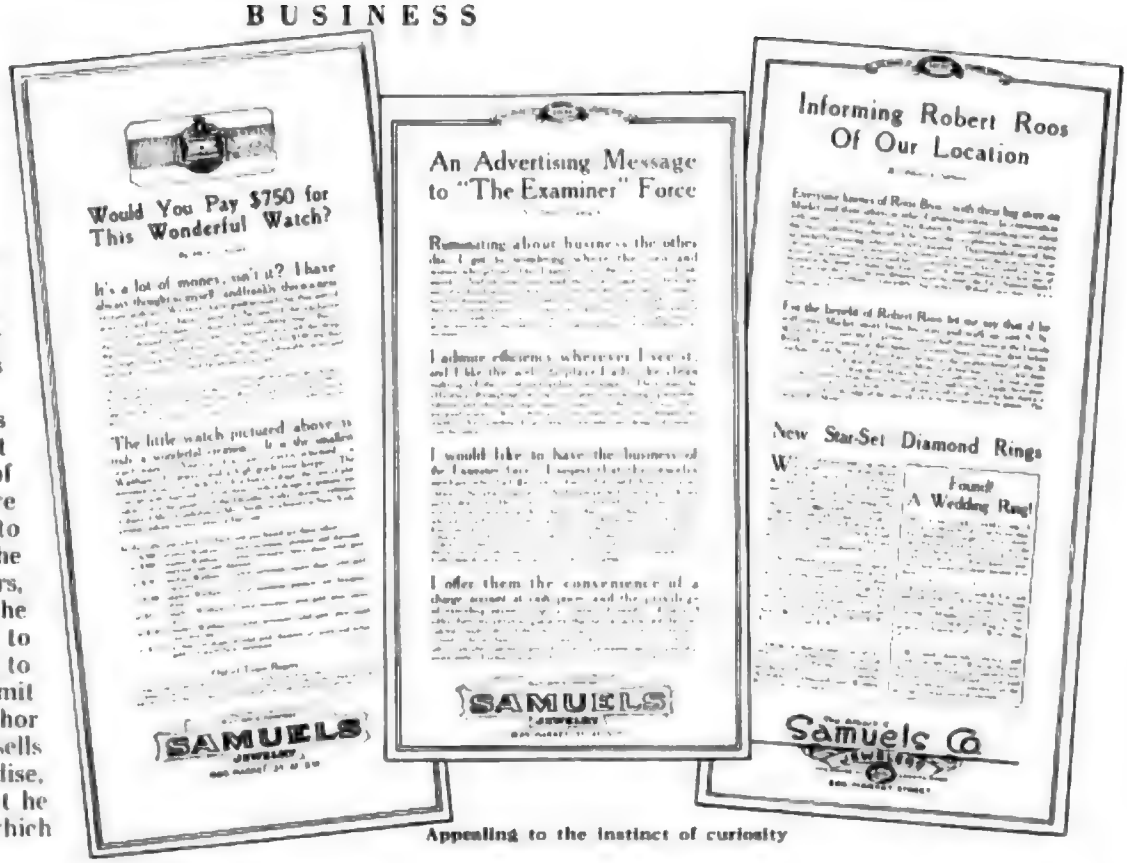


A distinctive store front. Note the marble finish, the large street number suspended above the entrance, the colossal wedding rings and the attractive window displays

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I would over the counter. I will use the first person, singular. Since they do not know me, and since another must take the responsibility for the statements made, why not use his name? Mr. Samuels backs up what I have to say. He stands good for every promise made. He vouches for the truth of every statement. He pays the bills for the space.

And so these advertisements have been written in the first person and under the name of Albert S. Samuels. They have been written with the desire to be interesting, to talk to the people about their own affairs, about something other than the virtues of our own business, to submit to them the evidence, to give them information, to permit them to conclude that the author knows his business, that he sells the right kind of merchandise, that he tells the truth and that he has the kind of a store with which they may safely deal.



Appealing to the instinct of curiosity

Having written an ad, I scrutinize it for its news value. I twist it about in search of a dramatic lead-off, for a punch in the headline, in the first paragraph—in the very first line. We have to trap the people into reading. We have to stop them in their feverish race through the paper. We have to get into the headline a bit of curiosity or something out of the ordinary in interest. Let a news article reveal the answer to the story in the headline and your casual reader will get no farther. To lead them to the desired conclusion from my evidence I must make them read it all. Trap them into a beginning and you can lead them along.

One of the first ads was headed, "The Truth About 'Perfect' Diamonds." And then I told for the first time, in a San Francisco paper at least, what I had heard Mr. Samuels say over the counter to his customers a hundred times: that I never had seen a perfect apple, a perfect horse, a perfect man or a perfect diamond. That among jewelers the word "perfect" implies the absence of flaws, carbon spots and bubbles, but that to the layman it means much more. Even then, I said, it is doubtful whether more than a very tiny percentage of the diamonds sold as perfect are even without flaw; that, using the word in its absolute sense, it is entirely wrong because, to be perfect, a diamond must be perfect in color, in cutting, proportion, brilliancy and in other details.

This was a bit startling to the man or the woman who had worn a diamond for years presuming it to be perfect. But it was fully justified in my belief, because of the fact that unscrupulous, or less scrupulous, jewelers were prone to call very inferior diamonds perfect. As a matter of fact, it has been my experience that the jewelers who handle the finest diamonds are the least inclined to make superlative claims.

FOLLOWING this ad, we observed an interesting coincidence. A salesman in the establishment of a competitor criticised us as dishonest in our advertising on the ground that we claimed there were no perfect diamonds while they, according to the salesman, handled no diamonds that were not perfect. A few days later a woman came to us with a diamond which she had purchased at this competitor's store. She said, "There's something the matter with this diamond, although I do not know what it is. It does not sparkle as it should." A glance was all Mr. Samuels needed to detect what was wrong. The stone had been "cut for weight." It was too deep. Light refraction and reflection were obstructed. The cutter had obtained more weight, but had sacrificed brilliancy. She paid us $50 more for a stone of exactly the same weight, but which had been scientifically cut. We sent her stone to the cutters, whence it returned lighter, but brighter. It was then worth neither more nor less than before, since the gain in brilliancy exactly compensated for the loss in weight. From the viewpoint of the owner, however, it was a more desirable diamond.

This matter of proper and improper diamond cutting furnished material for an instructive ad. It was accompanied by illustrations of right and wrong ways of cutting a diamond. For, be it known, upon the cutting depends the first element of diamond value—brilliancy.

One of these ads by which we tried to interest and convince our readers was the following:

De-Grading Diamonds

Do you remember, when eggs reached 90 cents a dozen last winter, how the corner grocer began offering storage eggs at 75 cents? Well, something very like that is happening in the diamond business. Customers are hard to satisfy now, because the diamond offered for the amount they have to invest is smaller than they expect. To meet this condition many diamond merchants are selecting a poorer quality than formerly, but offering it as the same grade. Thus a man who formerly bought Top Crystals may now handle Crystals, and one who handled Silver Capes may now offer his trade Capes. He can thereby sell as large a stone as formerly for $100. This is called de-grading.

This ad then pointed out that we have been obliged to pay more for our diamonds than formerly, but that we have not degraded. That we have, on the contrary, exercised if anything more care in our selections.

Prior to the publication of this ad we had offered an April special in an engagement ring of a half-carat

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diamond, at $225. This was fully $50 less than the ring should have sold for. It was an experiment in a modified special sale. It was a dismal failure. The only one bought from this collection during a time when our diamond business was unusually large was one which I purchased myself on behalf of a young brother, who had written to me from his ship on the Atlantic coast and asked me to send him an engagement ring.

In an attempt to re-awaken interest in this special offering and at the same time to show people that we were willing to make an admission in the interests of truth I wrote this ad headed, "A Diamond Ad That Failed." The offer of the preceding week was renewed, followed by this statement, "Instead of selling a dozen of them, as I confidently expected, we sold just one. And that one was purchased at the full retail price by one of my boys in the store, who got it for his brother an ensign over on the Atlantic."

We added to our stock a collection of very high-grade diamond-set bracelet watches. Goods of this kind are not seen on Market street. The fashionable shopping district is north of Market, but on Market street are the crowds, also some of the most important department stores and, lower down, some high-class specialty shops. But the fashionable jewelers are in another section. So the problem was to attract attention of a somewhat different clientele—a class who did not regularly patronize us but who might, for the sake of economy, if they were assured of really exclusive merchandise. The result of this analysis was an ad that carried the headline:

"Would You Pay $750 for This Wonderful Watch?"

The copy then discussed the logic or the justice of putting that much money into a watch, defended such an investment on the part of well-to-do men and described the watches offered, explaining that they were Walthams, the smallest made in America, very beautiful and priced lower than stores handling this class of merchandise usually sold them for. We stated that it was a new venture with us and that we did not usually go in for goods of such magnificence.

Two ads that attracted lots of attention and that permitted us to put over a definite thought were headed respectively:

"An Advertising Message to the Examiner Force"

and—

"Informing Robert Roos of Our Location."

IN the former we addressed a message to the Examiner employees, 400 in number, expressing appreciation of the efficiency of their various divisions in getting out a great newspaper, and asking for their jewelry business. In inviting their patronage we told them what we had to offer. It gave us an opportunity to talk about our own stock and our own service to an audience of thousands who, because of the curiosity of the human animal, like to "read the other fellow's mail."

The second ad confessed that a prominent merchant of San Francisco had betrayed an ignorance of our location. In this ad we led Mr. Roos up the street from his own store, past a number of well-known establishments to our own. Then we found him in another section of the city and led him down a couple of other prominent streets to our location, with, of course, a couple of hundred thousand readers, more or less, following the parade. This ad unquestionably fixed our location in the minds of a lot of people who were interested in us, but did not know where we were to be found. Street numbers mean little in San Francisco because the location 895 is near Fifth street and not between Eighth and Ninth, as it would be in most cities.

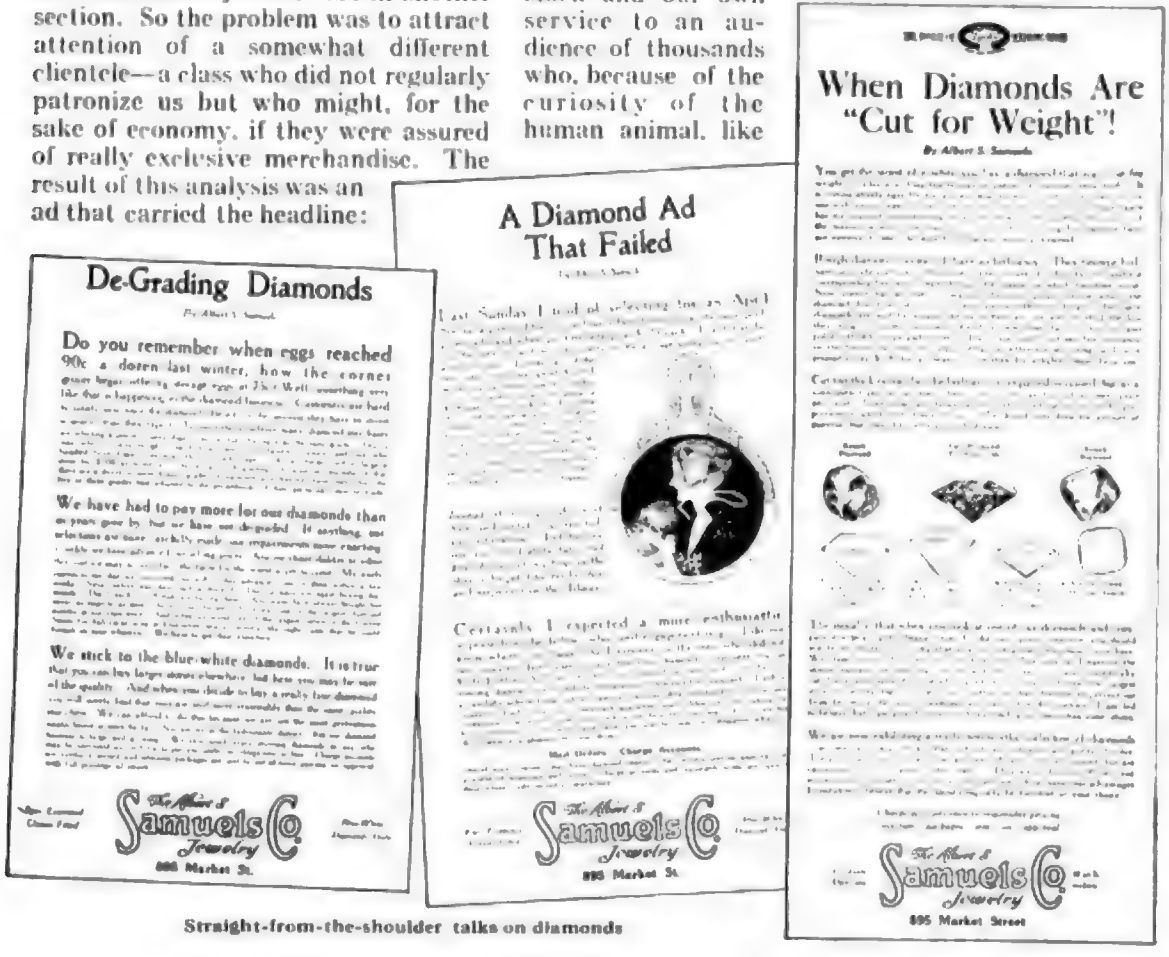
Another extensive campaign was based on "The House of 'Lucky' Wedding Rings," a slogan invented by Mr. Samuels. This slogan has been so successful that practically a third of all the wedding rings sold in the city are sold here, notwithstanding there are seventy jewelers in the city.

Still another highly successful campaign—one that created no end of interest—was based on a series of Engagement Ring Letter Contests. We offered prizes for the best letters on the two subjects, "How much should the average young man invest in an engagement ring?" and "Is an engagement ring an appropriate gift for Christmas."

In reply to these questions we received letters by hundreds—letters from all parts of the country and persons in all walks of life.

In drawing this story to a conclusion I can picture a lot of shrewd merchants saying to themselves, "Well, those ads are all very entertaining, but did they bring home the bacon?" In answer I can only repeat the reply made by the manager of a concern I once worked for.

He was asked by a merchant to whom he was trying to sell a contract, "Does street-car advertising pay?" He replied, "Well, if you don't think it does, take a look at our bank book."



Straight-from-the-shoulder talks on diamonds

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The Right Arm of Selling

Let the Credit Man Co-operate with the Sales Department and Fewer Accounts will be Lost

By HUBERT C. TELLER

WITH rare exceptions the credit manager has no selling sense. He functions chiefly to kill business, not to make it.

This is a deplorable condition which is the natural growth of the credit manager's habit of mind. For the salesman's courage the credit manager substitutes caution; for invitation, investigation; for conquest, care. The average credit manager is so saturated with the "we-musn't-lose-a-cent" spirit that he repels more business than the star salesman can attract.



"Smith, here are one hundred and sixty-eight firms, good territory, that haven't bought a cent's worth of us in six months. I am going to find out why."

But this cult of "you-must-pay-promptly" boys are not hopeless. With the application of just ordinary common sense it can be said of any credit department, "It is the right arm of our selling."

This story is eloquently expressive of the thing not to do in collecting.

For years Abe Mertz had paid his invoices with fair promptness. He represented a good average account for Davison & Merson, wholesale jewelers. But Abe began to drag. The discount day slipped by and soon the "net-amount-of-bill" period had elapsed.

A credit manager who lacked selling sense—and plain ordinary common sense—started his broadside of collection letters to Abe. Forgotten was the fact that for years and years Abe had paid well; into the discard went the claim of long business association; Abe was just a man who owed a bill and didn't pay it.

Imagine just how pleasant it was to receive that cold stereotyped form letter, "Unless your remittance is at hand in five days we shall draw on you." And still Abe did not "come through." But the broadside of "Pay up, pay up!" was continued at its stated intervals of five days. Finally, in desperation, the credit manager coldly informed Abe Mertz that unless remittance was received at once the account would be placed with the company's attorney for collection.

Fine! How splendid for Abe! What appreciation for long years of prompt paying!

It was plain to Mertz that the last bell had been tolled, so he wrote Davison & Merson as follows:

Davison & Merson, Toledo, Ohio.

Kekokville, Ind., October 10, '19.

Gentlemen:

Inclosed please find my check for $149.26 in full payment of invoices to date. Regret that an accumulation of pressing matters has made delay in making this remittance. Anyway, you now have my check. Thanking you for all past courtesies, I am,

Very truly yours,

ABE MERTZ.

P. S. This is the kind of a letter I would write if I had the money. A. M.

It isn't necessary to trace this actual incident through to its inevitable conclusion of a lost account. It will be more instructive to observe how a credit manager with selling sense handled a parallel situation.

Long & Brady, wholesale grocers, had taken regular profits for ten years from the business of A. J. Harry. His account was worth $5,000 a year. Complaints were few and collections from Harry were excellent.

BUT, as with our friend Mertz, something caused Harry to miss paying an invoice of some size. Did this cause a campaign of collection letters? It most certainly did not. A credit manager with brains and an eye to retaining and building business was on the job. Rather a warm, friendly letter saying it was evident some other demands had caused the customer to pass by remittance day and offering to wait longer if need be. The letter also extended a warm right hand of help in case the merchant was in deep water.

With such a sincere example of business friendship, the merchant wired he would be in the house the next day to talk over matters. Long & Brady answered that wire with a cordial "come" and a railroad ticket.

Details are not the point; suffice it to say that as a result of that conference Long & Brady extended terms for ninety days and took long datings on current sales, during which time Harry worked himself out of the hole into which he had been put by a "bad buy" in real estate.

Which type of credit man builds business?

To be sure, no house is going to offer extended terms to every customer. Granted, there are cases where the collection department must bear down hard. But in general the fault of the average credit manager is that he ceases to be a human being between 8 o'clock a. m. and 5 o'clock p. m., and becomes a machine whose one function is to gather in the shekels.

The credit department can kill or build business with ease. Most of them are murderous. Few of them are business-makers.

Take that ever-present evil—the inactive account. How many credit managers come to the sales manager and say: "Here are some good folks who haven't spent a cent with us for six months. Let's see why. Let's get them back." And yet that is just the kind of a thing that credit managers should say.

It's a fact that 75 per cent of the folks who stop doing business with us quit us cold. They never tell why. Only 25 per cent complain and give us a chance to rectify errors. It ought to be someone's duty to find out about that 75 per cent. Will the credit department make the follow-up that establishes the cause of the inactive account? With exceptional exceptions, it will not.

Let's follow an alert, business-making credit manager through an effort of this kind—rather part way through – for the full benefits of a campaign to restore the dormant account never can be traced.

"Smith," says Credit Manager James, "here are one hundred and sixty-eight firms, good territory, that haven't bought a cent's worth of us in six months. I am going to find out why."

"Fine!" says Smith, of course.

Out goes a letter to each of these

(Continued on page 3

Neosho Finds the Answer

"Sales Day," With Its Censored Bargains, Wins the Farmer's Confidence and Trade

By S. D. R. SMITH

SIX YEARS ago Missouri farmers received $175,787,126 for their crops. Later they spent most of it for shoes, pianos, sewing machines, paint, food, stoves, candy, soap—everything that retail merchants sell.

Merchants of Neosho, Missouri, (population 3,661), felt that they weren't getting their fair share of this rich farmer trade. Too much of that Missouri money was going to the big mail order house. Too much of it was drifting away into the hands of the nearest "big city" competitor.

The business men of the community reasoned something like this:

A certain number of farmers trade in Neosho regularly. We now get most of the business within a certain fixed radius—say, eight miles. If one merchant increases his business it's at his competitor's expense. Smith gains but Brown loses. If we're going to increase business as a whole, we must attract trade from greater distances.

Neosho hunted for the answer to this problem—and found it.

A "Sales Day" plan was formulated by a committee from the Neosho Advertising Club, and once each month for five years "Sales Day" has been a big event in this little city. Its success is proved by the fact that it has lived—that today the merchants of Neosho give credit to it as a business producer and profit maker. Moreover, they can prove to the skeptical stranger, by actual figures, that the plan is bringing many thousands of dollars to the town every year.

Nearly all the merchants of Neosho participate in the "Sales Day" plan. The sales are conducted under the strict supervision of a committee from the Ad Club, which has the power to pass on all special bargains offered, and to throw out any that may not be up to the club's high standard of requirements.

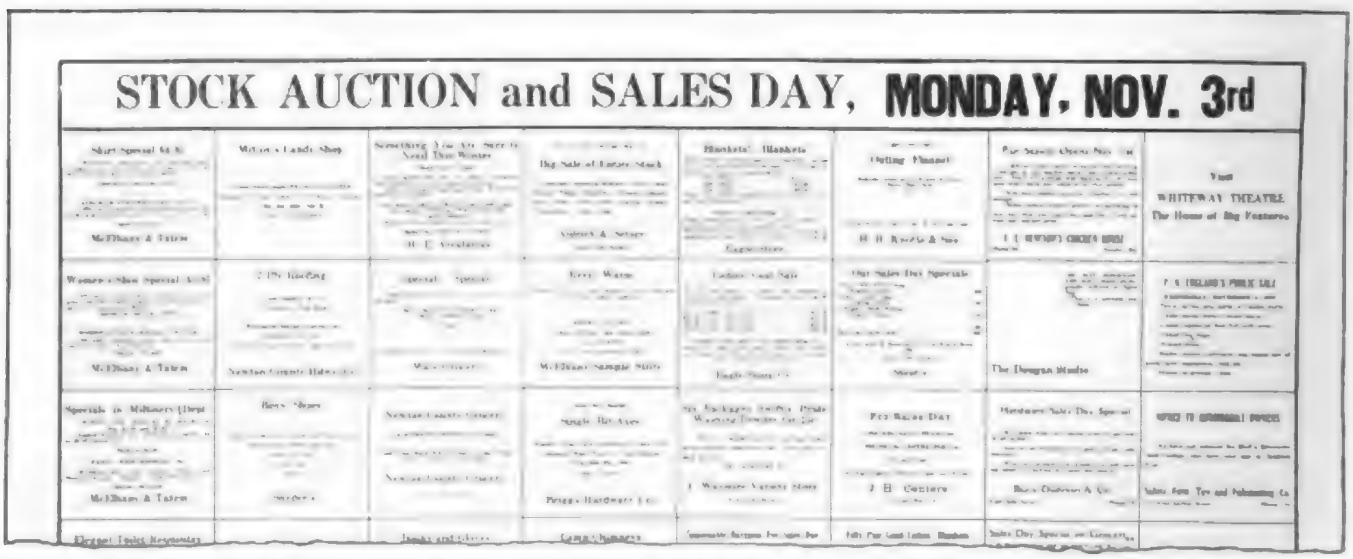
SALES are held on the third Monday of each month. Each sale is advertised by full page space in the Neosho papers and in Joplin, the nearest "big city." In addition, reproductions of these ads are sent to a selected mailing list of 6,000 families in Newton and adjoining counties. The circulars are mailed under one cent postage, and the total cost to print and mail averages only about $135 a month. This expense is prorated among the merchants participating in the sale, making the cost to any one firm comparatively small.

The copy used in the circular and in the newspaper ads is the same. The page is divided into 40 spaces, size 3½x3½ inches each, and each advertiser is permitted the use of only one of these spaces—the club believing that the little fellow should have an equal chance with his bigger and stronger neighbor and competitor for trade. Because the club guarantees every one of the printed advertisements, a very strict censorship of the copy matter submitted by the various merchants prevails. The committee realizes that if only one or two advertisers are allowed to slip, and to mislead visiting buyers, the confidence of those buyers would be destroyed and the entire community made to suffer in lost business.

"Good merchandise, truthful advertising, square dealing and service—these are the things on which our success is founded," said A. C. McGinty, chairman of the Sales Day Committee and one of the founders and chief supporters of the Neosho plan.

Then Mr. McGinty presented the figures to show just how big a business-builder "Sales Day" is to the town.

THE figures in the table that follows represent actual sales volume for ten representative Neosho stores in ten different lines of trade. They show that the increased volume on "Sales Day" is a net gain; that the Monday sales do not detract or take business from the preceding Saturday, and, in consequence, that the additional money


STOCK AUCTION and SALES DAY, MONDAY, NOV. 3rd

Specimen of the Neosho merchants' Sales Day advertising. The entire page was filled with advertisements of uniform size

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spent in the town on "Sales Day" is money that would have gone elsewhere except for the special inducements which attracted new customers.

SATURDAYS

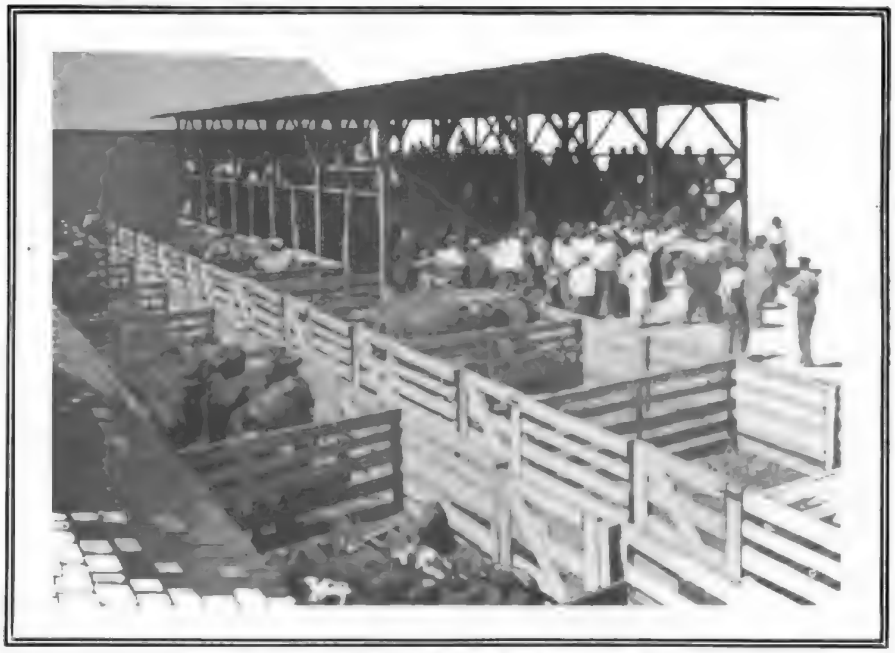
First Saturday	$388 85
Second Saturday	105 60
Third Saturday	233 70
First Saturday	121 17
Second Saturday	83 20
Third Saturday	15 97
First Saturday	118 00
Second Saturday	268 00
Third Saturday	158 00
First Saturday	167 57
Second Saturday	102 02
Third Saturday	11 59
First Saturday	374 65
Second Saturday	410 70
Third Saturday	281 95
First Saturday	114 53
Second Saturday	76 91
Third Saturday	50 40
First Saturday	333 02
Second Saturday	132 19
Third Saturday	85 59
First Saturday	545 00
Second Saturday	515 01
Third Saturday	350 04
First Saturday	89 00
Second Saturday	186 00
Third Saturday	102 00
First Saturday	465 08
Second Saturday	210 98
Third Saturday	92 25

MONDAYS

First Monday (Sales Day)	$1186 90
Second Monday	316 40
Third Monday	121 80
First Monday (Sales Day)	264 89
Second Monday	77 49
Third Monday	51 08
First Monday (Sales Day)	1350 00
Second Monday	107 00
Third Monday	105 00
First Monday (Sales Day)	168 68
Second Monday	63 98
Third Monday	18 85
First Monday (Sales Day)	397 96
Second Monday	199 65
Third Monday	228 05
First Monday (Sales Day)	326 01
Second Monday	65 25
Third Monday	90 41
First Monday (Sales Day)	540 00
Second Monday	115 36
Third Monday	95 62
First Monday (Sales Day)	978 63
Second Monday	245 71
Third Monday	245 00
First Monday (Sales Day)	677 00
Second Monday	81 00
Third Monday	223 00
First Monday (Sales Day)	1640 15
Second Monday	191 99
Third Monday	92 25

The total sales volume for these ten representative stores on Sales Day Monday was $7,730.71, as compared with $1,601.06 and $1,466.93 on two other Mondays in the same month.

And of course not all of the new business that is attracted to the community is on the sales bargains that are offered. People drawn to the town by the special sale prices also buy a great many other articles at regular prices.



Sales Day auction at the stock pavilion

The experience of one of Neosho's clothing dealers is probably typical of the results obtained by the other merchants.

"Our Saturday business," he said, "is always more than double, and sometimes three times as great as the volume of business we obtain on any other day of the week. But our gross sales on 'Sales Day' invariably exceed our Saturday business by a great many dollars.

"Moreover, not more than twenty per cent of the business we do on 'Sales Day' is on 'bargain' articles."

As might be expected, some lines of business show greater gains than others. Some stores in the same line of business vary in their percentage of gain. But the net average is a 53 per cent increase on "Sales Days" over the corresponding days of the preceding year.

Neosho merchants do not stop with offering special bargains in their efforts to attract new trade. A monthly auction of livestock, household goods and farm implements is another detail of the community plan which has been an important factor in the success of the "Sales Days."

These auctions are held each "Sales Day" in a $1,000 stock pavilion erected by the Advertising Club. The pavilion has a capacity for seating 300 persons, and almost always is crowded to capacity while one of the auction sales is in progress. A charge of 2 per cent of the selling price is assessed on all articles sold at auction. This pays all expenses of the sale and leaves a surplus of one-half of 1 per cent, which goes to the Ad Club to reduce the debt incurred in building the pavilion. As indicating the popularity of the auction sale idea among the farmers and others who come to Neosho to trade, the Ad Club cites figures showing that sales for the past two years have averaged more than $3,000 each "Sales Day."

Neosho business men are doing much to make the farmer feel that he is a part of their community. During the summer months, from May to October, the Ad Club meets regularly twice a month in the country, first at the home of one farmer, then at the home of another. These are all open-air meetings, and there is a strict rule against so-called trade-boosting talk. From fifty to sixty merchants are usually on hand to attend these country meetings, while the farmer at whose home they are held usually has twenty or twenty-five of his neighbors on hand to "listen in." Community development in all lines of activity forms the basis of discussion at these meetings; the farmers are invited to participate, and often do.

Because the Ad Club meets each time in a different place, it is gradually extending its influence out in every direction from Neosho. By arousing in the farmer a friendly, personal interest in Neosho's activities and in her business men, the Ad Club has found an effective weapon to combat mail order competition.

The "Sales Day" plan has greatly extended Neosho's trade territory. Trade formerly came almost entirely from within a radius of possibly eight miles. Merchants now report that customers frequently come from distances ranging up to forty miles.

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What Ads Appeal to Women?

A Survey in Indianapolis Reveals Some Striking Facts and Results in a New Merchandising Policy

By HORACE E. RYAN
Advertising Manager, L. S. Ayres & Co.
Indianapolis

WHAT percentage of a city's housewives read the department store news? Why is this news read? Just who reads it? What type of advertising is most read by what type of citizen?

Big merchants who are spending from 1½ to 3 per cent of their receipts for newspaper advertising naturally consider these facts of great importance, but few of them ever make a systematic attempt to learn the truth, chiefly because no one apparently has evolved a plan whereby he can get an unbiased opinion from the women.

A successful plan, however, was recently evolved and put into operation in Indianapolis by a service association engaged in commercial research. The data was obtained and compiled by a method which might be adopted by any merchant or association of merchants.

A classified advertisement was run in the newspapers asking for the services of college women at a wage of $5 a day. From the score of applicants the investigators selected eight women of pleasing address and evident culture. The women were told that their work was of a statistical nature and that nothing would be required of them or those whom they might interview which could not be granted with entire freedom. Facts helpful to the women themselves and to the community were wanted and would be so used—simply to improve shopping conditions. They were told also that their reports were for a statistical bureau. This helped to dispel the idea that personal information might become known among one's neighbors or published locally.

The applicants were asked to fill in the forms, each giving her own answers to each question. They were reminded that what was wanted, above all else, was absolute honesty and outspoken criticism. Among the questions, purely statistical and more or less commonplace, were the following:

"At which department store do you do most of your trading? Why?

"Which store's advertising do you read? Why?"

Convinced that they were really to contribute something to the public good, the chosen applicants undertook the work with real interest. Their own reports resembled those received later from the housewives of well-to-do sections of the city. Three of them named reliability as the quality which prompted them most frequently to read the advertisements of one store. One said she preferred another store's advertising because it was "so readable and easily understood." Another said she read the advertising that appealed to her as being most pleasing in appearance. One reported that she preferred the advertising of "the store which did not make comparisons in prices." She said she found their quotations always fair and their goods of good quality. Still another read those advertisements which she considered artistic and therefore appealing to women. Another liked the personal note of one store's advertising.

The reports from typical high-class residence districts—the homes of the well-to-do middle class—were flattering to department store advertising. In such sections of the city approximately 55 per cent of the women said that they habitually read department store advertising. Forty-five per cent said they paid very little attention to advertising of any kind. In such sections, reliability of the store and its merchandise seemed to furnish the motive for the reading of advertisements.

TWENTY-SIX per cent of the women said they made a habit of reading the advertisements of the store they consider most reliable in its merchandise. Six per cent named as their preference the store which does not quote comparative prices. Three women read advertisements because they were interesting as advertisements. Only 6 per cent in these localities named bargain values as an incentive to their reading, although an additional 3 per cent said they value sales news. Only one woman professed to read advertising because it is artistic. Seven said they read the ads of certain stores that specialize on service.

A prosperous neighborhood where homes would have a tax valuation of from $5000 to $15,000 was complimentary to well presented store news. More than 50 per cent of the women in this locality read ads. The investigators remarked also upon the courteous treatment received from the housewives and their willingness to give any information desired. For a store catering to high-class business, the result of the survey will be very interesting. Eleven per cent of the readers said they read advertisements of the store which they consider most reliable in quality of merchandise and



More than a thousand persons visited this corner in the L. S. Ayres & Co. store before the holidays last year and enlisted the aid of the Gift Granny in finding out what their friends wanted for Christmas. Late in November one patron gave the Gift Granny the names of six friends and asked her to write to them. Three of the six then got the Gift Granny to write to their friends; these friends in turn supplied the names of still others, until, within three weeks, inquiries had been sent to 115 possible patrons as a result of the orginal request.

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merchandising methods. Five per cent of them, however, named the attractiveness of the publicity as a motive for reading store news. Five per cent liked originality in presentation and conciseness and clearness of expression. Not more than 1 per cent were particularly interested in bargains.

A survey in a residence section of the city quite remote from the downtown district showed that less than 40 per cent of the women in this locality read department store advertising with any degree of persistence. This neighborhood was largely attracted to advertising of stores which presented sale and bargain news. Twenty per cent of the women said they read department store advertising for bargains. Eight per cent named as their incentive the reliablity of the merchandise and the fact that the store makes good on all promises.

Another residence section of the city produced practically the same data, save that a larger percentage of the women read the store news. Four of them were concerned more with the service they got from the store than with the ads, merchandise or prices.

The rise of a new residence section made it necessary for many stores to extend their delivery service. One large store which specializes on covering new neighborhoods with a complete delivery service scored ten times to its competitors' four, six and seven, simply because it gives better delivery service. Women in this neighborhood seemed to appreciate low prices rather more than did those in older settled communities. Eight per cent read the store news of the store which they consider most reliable. Sixteen per cent admitted being on the lookout for special values. About 50 per cent of the women in this locality were readers of department store ads.

IN Indianapolis we have a high-brow district. This neighborhood is the home of a college, so the population runs strongly to teachers, students and newspaper people. Their reasons for reading advertisements, however, were almost identical with those of people in the well-to-do districts. Eighteen per cent of the women read the ads of the store which they consider most reliable. Five per cent expressed themselves as on the lookout for sale news. Seven per cent said they read the advertisements of the store with which they prefer to trade. This neighborhood, rather more than any other, appreciates the quality of presentation, terseness of style, personal appeal and attractive illustrations.

A neighborhood which the investigator put down as poor and uncultured showed the least percentage of readers of any that was investigated. Here less than 15 per cent of the women read advertisements at all and nearly one-third of these said they read ads of the stores which give the best values. They were not particularly interested in sales, however. Several of them remarked that most sales are "bunk." This conclusion of the women was at sharp variance with the reports from better sections of the city. One infers from this report that poverty-stricken and remote sections of the city are a poor field for the large department stores. Women in such neighborhoods buy only when necessity demands.

A section of the city inhabited chiefly by Americans of the middle class was complimentary to department store advertising. More than 50 per cent of these women read department store ads with interest. Reliability of merchandise influences 7 per cent. Eight per cent are drawn to a store and its publicity by what they consider better values. Three women are influenced by attractiveness of presentation. Two per cent think newsiness a virtue. Under this head they classify diversity of the merchandise presented. In this section the investigator found a conflict in testimony as to the value of comparative prices. Three women said they read the advertisements of one store because it does not quote comparative prices. Three other women in the same neighborhood said they read the advertisements of another store because it does quote comparative prices.



A miniature stage and a mechanical doll operated by an ingenious system of gears and eccentrics with power furnished by a small motor—that is the combination that attracted thousands of children and their parents during the Christmas shopping season last year to the toy shops of L. S. Ayres & Co., of Indianapolis. Every half hour Dancing Dorothy performed a graceful and realistic dance to the accompaniment of music. The idea was conceived and executed by the company's manager of window display.

Assuming that the data accumulated was an honest expression of community sentiment and I have good reason to believe that it was—the department store advertising in Indianapolis is read more or less persistently by 35 to 45 per cent of its housewives. It should be said in passing that this advertising, according to experts, ranks rather above the average.

Taking reports from the entire city, we glean these incentives as dominant in governing the reading of advertisements: reliability of merchandise and methods; bargain and sales news; cheapness; quality; style and excellence of goods; service; artistry and general attractiveness of advertising.

It may be of interest to note that this survey has modified our own advertising policies. We now emphasize reliability of merchandise rather more than price, and discuss special features as of equal interest with sales news.

And if there's a moral for the merchant it is this: before you advertise be sure that your goods and your selling methods are all they should be, then when you advertise cut out the frills and give 'em facts—the absolute truth—for only by so doing will you gain readers among that 55 to 65 per cent who do not now read advertisements.

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The National Shell Game

"Let Us Standardize on a Few Honest Containers," the Experts Say, "and Stop Deception and Waste"

By A. H. ULM

"THE closer you look, the less you will see," is an axiom of the sleight-of-hand operator.

Yet we all have exceeding confidence in the discerning power of the human eye. The housewife relies upon it almost wholly when marketing; so do most food merchants when buying. Of all our parts the eye is probably the greatest creature of habit. It is ever inclined to see what it is accustomed to seeing, even if what it "sees" isn't there.

When the war and the remoteness of the South Sea Islands sent the prices of spices skyward, the average consumer of black pepper scarcely realized the difference. More curious still, the average consumer balked when he did realize it.

The reason was that black pepper and other spices were bought "sight unseen" in shaker boxes that sold for 5 or 10 cents a box. The average consumer continued to get the same style and size of box at the same price. The contents depreciated, but the container didn't.

When the box contained four ounces or more, which was the usual content, the manufacturer was required to print on the container a statement of the volume contained. But when the content went below four ounces, as with the higher prices they frequently did, no such statement was required.

Some manufacturers tried to equalize container and content, only to find that the trade preferred the larger and partly fabricated boxes. This was because the eyes of consumers insisted on estimating quantity by size of container, even when a statement of quantity was printed on the box.

The government was appealed to. But an inquiry into the law showed its hands to be all but tied. The Department of Agriculture, through the Bureau of Chemistry, did exercise its right under the law to require that all food packages containing a half ounce or more of product bear a statement of quantity of content. It appealed to the manufacturers to go farther by voluntary action and reduce the size of containers. Most of the manufacturers agreed to do so.

You can't ordinarily see through a pepper box, but you can see through a glass bottle. Yet there was a similar experience with regard to flavoring extracts. When they went up in price, many manufacturers continued to turn out what looked like the same 10-cent and 25-cent bottles. The difference was taken care of by reducing the interior dimensions of the bottle, and the trick was done so well that the difference was disclosed only by careful inspection.

Rarely was the camouflage due to dishonesty. It was "put over" because it saved arguments and because retailers found that the average consumer when choosing between a strictly honest and a somewhat dishonest container took the latter—due to force of habit and reliance on the eye.

The eye is most often deceived perhaps by containers that give full or reasonable view of their contents. Even government experts often are obliged to use delicate testing apparatus in determining inequalities or deficiencies in such common containers as berry boxes, grape baskets, hampers and crates.

"Here are two orange boxes," said one of them the other day. They were on the floor of his office only a foot or two apart. "Do you see any difference in size?"

"Not the least."

He laid his ruler across the one on the right hand. The width was $11\frac{3}{4}$ inches; the depth was the same. The box on the left measured up a full twelve inches in width and depth.

"The difference seems insignificant," said the official. "But it isn't. Put one hundred and seventy-five oranges into each box and you couldn't tell by sight or feel any difference between the sizes of those oranges. Yet those in the small box would weigh ten per cent less than those in the larger box. Oranges have been sold from each as being of the same size and grade. Even commission merchants didn't notice the difference.

"More than three hundred thousand boxes of the smaller size were put on the market by a single manufacturer last year. When I asked him why he did it, he replied:

"'Certainly not because I want to, but because my trade demands 'em.'"

His trade demanded them because some one, moved by outright dishonesty, had found that the deception could be worked, thus giving a 10 per cent margin of profit over more scrupulous competitors. Others had to resort to the practice to meet the



This picture exposes a few methods by which people are sometimes duped when they buy by measure. To the eye of the casual buyer the lettuce baskets in the picture seem to be of the same size. The difference that really exists is illustrated by the dozen heads of lettuce left over when the contents of the basket at the left are poured into the basket at the right.

The reinforced implement at the upper left is a double-ended measure, legalized by Congress for use in the District of Columbia. The section filled with yams holds exactly half a peck. Below is a peck measure. When the half-peck measure was filled twice, and its contents poured into the peck measure, three yams were left over.

A container may be of honest surface dimensions, but of dishonest bottom dimensions and therefore of dishonest shape. The baskets containing string beans are of the same surface dimensions. Yet one contains sixteen ounces of beans; the other one is narrower at the bottom and contains only thirteen. Instances like these show why the housewife should buy produce by the pound.

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unfair competition. Of course, in time the small box would become the accepted standard; but before that time arrived some shipper would cut off another quarter of an inch and thus start another cycle of deception, and so on ad infinitum.

Such cycles, together with multiform local customs and—so far as there are any—many contradictory laws, have caused the problem of containers for fruits and vegetables to be one of the hardest the government is trying to solve.

"There are as many varieties of cabbage crates as there are varieties of cabbages," says one of the experts who has been investigating the subject. "Five or six, maybe fewer, standardized crates would be sufficient. Their adoption would do a great deal more than prevent deception. They would save waste both in manufacturing the boxes and distributing the food they carry from producer to retailer or consumer."



Here's what national standardization can do. The four baskets at the top of the picture have supplanted all the others shown below, except the half-pint and pint boxes, and two or three times as many more. The fewer sizes perform the service better, at less cost and with far greater satisfaction.

The same confusion exists, with a few exceptions, throughout the whole realm of packagedom. The only way it can be fully removed is for Congress to exercise its constitutional power to fix the size, styles and strength of those containers in common commercial use that are amenable to standardization.

But here we run into a quite curious circumstance of history. In fixing the powers of Congress, the Constitution says:

"To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

The first part of that authorization which amounts to a demand, has been carried out in detail since the government was formed; to a large extent the last has been ignored.

Congress has not yet affirmatively fixed even a basic standard of weights and measures for the country as a whole. In truth, the only positively legalized standard of weights and measures we have—or rather don't have—for the country as a whole is the metric system. Congress made the metric system legal in 1866, but only by indirect action has it ever legalized the ancient British system in general use.

The reason? Chiefly local customs, sectional prejudices, individual habits—all functioning usually under the cloak of state rights!

No doubt the constitution makers had in mind largely the basic standards of weight and measure, like those represented by the pound and the bushel, as usually determined by the scale and measuring implement. In that day we followed the British system as we do now, but that system had not then been reduced to uniformity. Early Congresses could have defined the pound and the bushel only at the cost of breaking into many local customs. So Congress didn't, holding that the function should be exercised by the states.

BETWEEN 1830 and 1840, the government, in collecting customs and taxes, often found itself perplexed as to what really did constitute a pound, a yard or a bushel. Then Congress authorized the secretary of the treasury to fix standards for the government's own use. He went about the job scientifically, and did it successfully. Base standards carefully made were stored away for future guidance.

Meantime the states were following the old customs of the colonies. To promote uniformity among them, Congress directed the secretary of the treasury to send each state, as a gift rather than an injunction, duplicates of his base standards.

The states now prescribe the same basic pounds, yards and bushels that are employed by the federal government, but are free to change them at will.

Echoes of the old lack of uniformity constantly result from the efforts of the states to define bushels in terms of pounds. The legal weights per bushel of sweet potatoes, for example, range from forty-six pounds in North Dakota to sixty pounds in Maryland.

Recently, when the railroad administration put into its freight tariffs for southeastern roads, a number of carefully made specifications governing containers used in shipping fruits and vegetables from that section, the farmers of Georgia found that they must either violate their state law or not ship their potatoes in the bushel-sized crates prescribed for them by the federal government. The crates were designed to hold an exact bushel of potatoes by measurement. The Georgia law says a bushel of potatoes must weigh fifty-six pounds. The crates, say the farmers, must be made three inches longer if they are to contain a full Georgia bushel of potatoes.

In their effort to define volume in terms of weight, many provisions of state laws are amusing in their oddity. Kansas, for example, says that six and one-half pounds of kerosene shall constitute a gallon. Nebraska fixes twelve pounds of strained honey as a gallon. One state decrees that it takes five pecks to make a bushel of screened lump coal. In another state three-quarters of a peck must be added to an

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ordinary bushel to produce a legal bushel of charcoal, lime or ashes.

Government experts say that such things as fruits and vegetables never should be retailed by the quart, gallon or peck, but by the pound. They say it is impossible to measure out an exact quantity of such products and the differential grows as the size of the measure decreases.

When it is not practicable to sell such articles to the distributors by weight, they should be sold by the package, and packages should be uniform. The experts assert, too, that complete uniformity cannot be achieved except by national standardization laws.

Congress is as reluctant now as it was in the early days to disrupt local practices. Only twice has it taken action under the weights and measures proviso of the constitution—once to fix a standard for the troy pound, used chiefly in weighing precious metals, and again, a few years ago, to standardize the barrel. Parenthetically, Congress has done much through the Bureau of Standards toward promoting uniform standards. But that work has partaken almost entirely of research and experiment.

CONGRESSIONAL timidity in approaching the standardization of measures is well illustrated by its handling of the barrel. It first standardized apple barrels, fixing dimensions, style, shape and all. But steel barrels were excepted in all but the matter of dimensions. Then it standardized all barrels used in shipping fruits and vegetables, taking care to define dimensions, style and shape, with the proviso "that any barrel of a different form" having the required dimensions shall be a standard barrel. And the cranberry barrel was excepted from all provisions.

Since then Congress has balked at making further use of its authority "to fix a standard of weights and measures." It came to realize the need of more uniformity in the commonly used Climax or grape basket. Millions of them were passed along with their contents to consumers who usually bought a basket of grapes rather than so many pounds or quarts. Fifty or more sizes, styles and shapes, with fractional variations that nobody would ordinarily notice, were in use. Congress would go only so far as to define the kind of Climax or grape basket entering interstate trade. However, the three baskets of exact capacities and shapes which Congress did prescribe for interstate commerce have virtually supplanted all the others, with great saving and benefit to producers and consumers.

When Congress tackled the berry box, which embodied even more shapes and sizes than did the grape basket, it stopped still further short of the limit of its authority. It prescribed only the dimensions, but the standardized boxes have supplanted most of the others.

Congressional wavering is shown further by the fact that it put the enforcement of the barrel law in the hands of the Bureau of Standards and that of the grape basket and berry box laws in the hands of the Department of Agriculture, or Bureau of Markets.

Some states have undertaken to standardize fruit and vegetable containers but there is as much conflict in state laws as in state customs. Not long ago a Portland, Oregon, commission merchant saw Florida celery quoted about one-half the price per crate he was paying for California celery. He figured out the freight differential and decided the Florida product would cost him less. So he ordered a car, with the result that it cost him nearly twice as much. For the Florida crates were only about one-half the size of the California crates.

Hundreds of millions of containers are used in shipping and marketing fruits and vegetables. Many millions go to the consumer intact. Take peach baskets, for an example. A specialist in the Bureau of Markets is authority for the statement that 25 per cent of those used contain only fourteen quarts. Generally, the large ones are presumed to be of sixteen-quart capacity. In some markets the use of the fourteen-quart basket is customary, and in other markets the volume of contents is shown in writing or printing on a great many of the fourteen-quart baskets. But consumers buy thousands of fourteen-quart baskets of peaches in the belief that they are getting sixteen quarts.

MILLIONS of what presumably are bushel-sized hampers are used in marketing various fruits and vegetables. The same investigator says that the capacity of one-third of these hampers is only seven-eighths of a bushel.

In thousands of cases the difference in size is so slight as to defy detection by the unaided eye. Of course more culpable practices than that of slight reduction in size are adopted by unscrupulous or ignorant distributors frauds such as false or raised or overthick bottoms.

Then there are "honest" measures which in practice work dishonestly. Congress, for instance, has legalized for use in the District of Columbia what is known as the double-ended measuring implement. It is a rounded contraption, being bigger at one end than the other, with a partitioned bottom. One end represents a half peck and the other a peck. Even when the interior dimensions are correct it is impossible to get a full half peck or peck of any dry product into either section of the receptacle.

Congress is now being urged to standardize the hamper basket, the round bushel basket and the common market basket. The number of sizes and styles of each which are now in use is almost limitless.

The common market basket varies inordinately. The general impression is that it is used only as a convenience for taking home an accumulation of parcels. Officials in the Bureau of Markets say that half of the fifty million or more manufactured every year are employed by distributors as containers and are passed along, like grape baskets and berry boxes, to the consumer. Fifty per cent of them, say these officials, represent what amounts to short measurement, fourteen-quart baskets being often accepted as of sixteen quarts.

SPECIALISTS in the Bureau of Markets also favor the fixing of shapes and styles, as well as dimensions. This makes it easier to discover variations and also assures the turning out of containers strong enough for the service intended—a separate equation of much importance.

A very large proportion of the $50,000,000 of claims, filed annually against the railroads for damage to freight is due to breakage caused by poor construction of containers.

The railroad administration, as indicated, has taken steps toward compelling shippers to use crates and baskets better adapted to their purpose. This movement, of course, is aimed to bring about standardization. It aims, however, at more than uniformity of size; it aims to bring about the use of that size or those sizes that will permit uniform packing in cars and such other arrangements as will prevent spoilage, or at least reduce it.

The manufacturers of crates, baskets and boxes, say the specialists in the Bureau of Markets, favor standardization, for it will simplify their processes and reduce their expenses.

Co-operative selling organizations, like that of the citrus growers of California, are already doing much to promote uniformity and standardization. The distribution of fruits and vegetables, however, will continue to involve confusion and waste until standards of quantity and quality are nationalized.

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Two Dozen "Forties"—Check!

What You've Got and What You Ought to Have—One and the Same Thing if Your System is Right

By W. S. LORING
Dreyfuss & Sons, Dallas, Texas

PERHAPS the most insidious of all leaks in the mercantile business is the stock leakage—not dishonest leakage, but that which is caused by slipshod, careless methods. Too many merchants cannot visualize their merchandise as money, yet that is exactly what it is.

It is a fallacy to presume that the stock record and modern storage rooms are all right for the big fellows, but unnecessary for the smaller businesses. *Every business that is big enough to have any stock at all is big enough to have a stock system.*

A good stock system does more than prevent waste: it becomes an invaluable aid to buying; it gives the buyer absolutely correct information as to the size of stock on hand and the movement of any given items over any given period. Thus it acts as an effective preventive for overbuying, and also enables the management to keep the stock in correct proportion among the various lines.

Further, it gives the merchant accurate figures on which to reach an adjustment with insurance companies in case of fire. Without some comprehensive stock record system the merchant cannot hope for a settlement from the insurance companies that is in keeping with his actual loss.

The fundamental principle of good stock-keeping is very simple: *Put it away properly.*

The stock-keeping system described in the following paragraphs is one now in use in a men's furnishing goods store doing a business well in excess of a million dollars a year. It can be used just as effectively, however, by the man whose business is one-twentieth as large.

The first step in the system is the classification of the stock, a general group number being assigned to every class. For example, woolen union suits are grouped as Item Number One; cotton union suits as Number Two; woolen shirts as Number Three; cotton shirts as Number Four, and so on down the line.

Every group is then subdivided by price. Thus, a woolen union suit is bought to sell for $5. On the stock record it will be shown as 1-500. When the stock is assembled the various lines will be grouped together in order according to price.

The next step is the proper labeling of the boxes. A label (see form) is pasted on the outside of each box. This label shows the line number, the classification, the manufacturer's number, the cost (in code), the quantity and the size of the garment it contains.

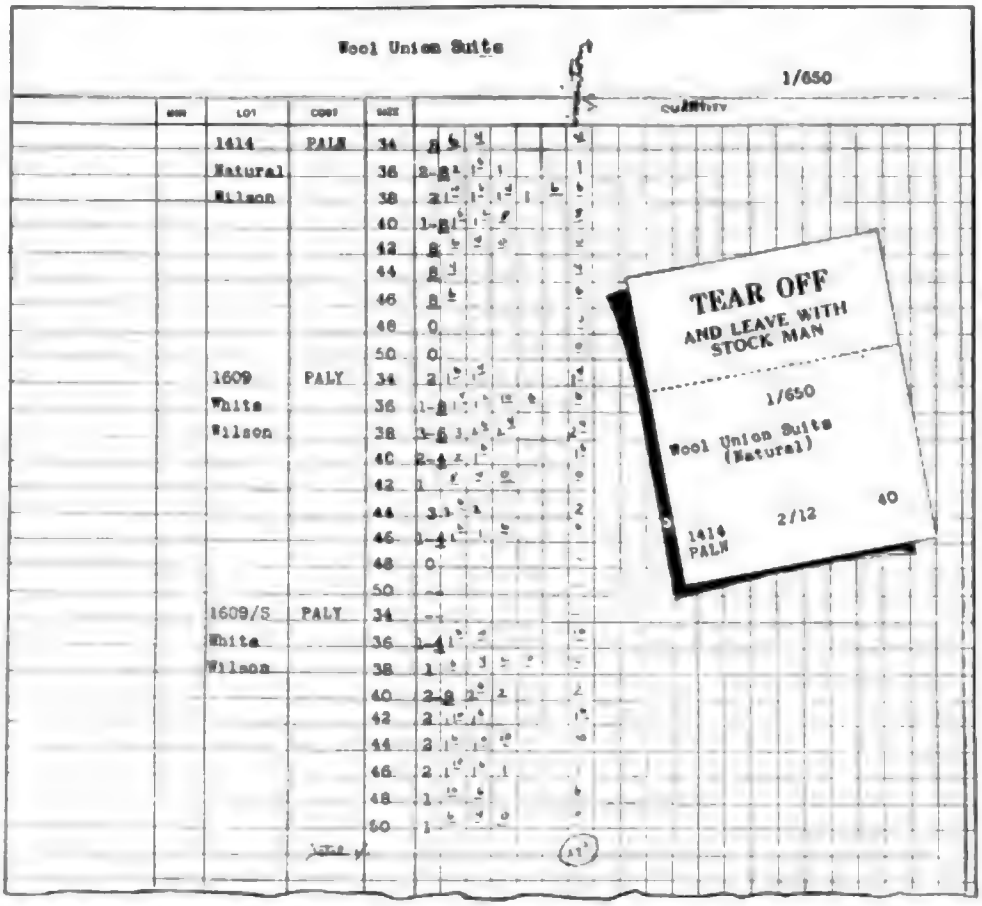
When stock is removed from the storage rooms this label is torn off and put in the stock-keeper's box. Each day the stock keeper assembles the labels and checks off from his stock book all of the withdrawals for that day. The sheets in the stock book are arranged in groups to correspond with the labels. By putting stock away in the order indicated by the group numbers—1, 2, 3, etc.—and by filing stock sheets in the record book in the same order, it is a very simple matter to check the stock against the book at any time.

By referring to the stock sheets (see form), the buyer can tell instantly what lines and what sizes are selling. In the column marked "minimum," a figure representing the low-water mark for every item is inserted, and the stock man always calls the buyer's attention to any item of stock when the quantity on hand reaches the low-water mark. This enables the buyer to replenish the line before it is exhausted.

The quantity of goods on the shelves in the store varies but little, and each department replenishes its stock up to a certain fixed figure each morning.

By means of this system we can tell at any time the quantity and value, in cost and selling price, of stock on hand at any time.

Naturally, it requires quite a little work to start a system of this kind, for it means that the entire line must be arranged and labeled. But after this is once done, the system almost runs itself, for all that is necessary is to *put the goods away properly.*



Each stock sheet and each label contain the name of the article, its group number and price number. Quantities are expressed in dozens and twelfths of dozens. A physical inventory is taken at intervals and the inventory figures are checked against the last stock figures on the corresponding lines.

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Won on the Ten-Dollar Front

Eb Keepers Comes Back from the Army and Applies a Military Principle to Department Store Practice

By JAMES W. FISK

OLD JIM KEEPERS of Keepers & Son, stood and stared hard at nothing over rows of shining display cases, chewing the unpalatable cud of his business situation. With one hand thrust deep into a trousers' pocket and the other caressing the thin spot at the back of his head, he pondered over the semi-annual sales report.

Something was wrong. Somewhere in his shining, well-oiled business machine was a cog with a corner chipped off, failing to keep up with the other noiseless pinions and thereby impairing the efficiency of the whole machine. This machine was a large one—a department store with only a few rivals in a large middle west manufacturing city. Still, the rival machines were working at their best; they were getting the trade, and Keeper's business eye, trained though it was, could not locate the slipping cog.

Keepers continued to stare and saw no more than he had seen for months: that his business was decreasing and that it took every cent of profit to keep his organization going, to pay his army of employees and to keep his merchandise lighted, heated and under roof. The customers were there. The aisles were almost as full of shoppers as they ever had been. They looked and fingered and asked questions and swarmed down one aisle and up another. They asked the floorwalkers where to find the furs, the toys, the hardware, the linens, the jewelry and the almost countless other things. They rode the elevators to the topmost floors and there tried on dresses and coats.

But the report showed, beyond doubt, that they did not spend money in proportion to their numbers. The reason for this state of affairs was what Keepers was trying to solve as he stared at his sales report.

Then, too, there was another worry. The other half of the partnership the "and Son" part— was on his way home from France. Young Eb Keepers never had taken an active part in the business, having just finished school before he enlisted. Now the father wanted, more than anything else, to give his son a "running start" in the business, but with conditions as they were, not even a "standing start" was possible; the boy would be actually under a handicap.

FINALLY Eb arrived and for a few short days the frown left Keepers' face. There was much laughing and glad weeping to be done. There were stories to be told—stories of army "pals," of transports, hospitals, battles in the air, troop trains and leaves of absence—stories that provoked now smiles, now tears.

Business must be attended to, however, and one day Eb hung the blouse with its gaudy little shoulder bit away back in the closet and donned a new civilian suit appropriate for his dive into his business career. His first day was spent, for the most part, behind the door of frosted glass with Keepers, Senior, who told his son frankly the condition the business was in; told him that the customers were there, but that sales were low and still decreasing.

EB MADE a tour of inspection from basement to roof and admitted to himself, even while he slapped his father assuringly on the back, that something was amiss. Somehow he would find out why the customers didn't buy. Some one must know. Certainly! The shoppers themselves! They knew why they didn't buy; he would get them to tell him.

In order to get the shoppers to tell him anything he must mix with them. After so long a time his face would be familiar only to the older clerks. He would be a shopper—a shopper in his own store.

And a shopper he was. The next day he admired his own display windows and drifted into his own store with other shoppers. The drug department just inside the door was naturally his first halting place. He leaned on the shining case and read the labels on a row of shapely bottles of perfume. A smartly-dressed woman at his elbow was saying to the clerk behind the case, "A case of tooth paste, please. Forty-seven cents? Why, at Bird's it is only forty-five. I'm going that way, so I'll just get it there. Thank you."

Strange,



"There, you've said it yourself," the youth broke in; "you've advanced prices in proportion on all lines."

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thought Eb, that an apparently well-to-do woman would prefer to take time to go to another store to save two cents. He inquired of the clerks how drugs were selling and found that nearly all customers objected to the prices, when they didn't actually refuse to buy.

He sauntered on to the notion counter and listened to scraps of conversation.

"That's pretty high for dress fasteners," one woman said; "I'm sure I saw some in a window somewhere yesterday for less, but let me have them—I can't remember where it was."

And another, "No, thank you, the L and M store is selling the same buttons five cents cheaper."

Then on to the leather goods department, where a girl in a shiny blue serge was inspecting the latest thing in gay-colored purses.

"Six seventy-five," she was repeating; "I was afraid they would be more. Wrap it up—gotta stay with the styles."

Now that was better, Eb decided. He had seen the invoices on those purses and he knew that at $6.75 they carried a fair margin of profit. When the girl went away Eb asked the clerk, "How are leather goods moving?"

"Good," the clerk replied; "when they see the new stuff they want it. Doesn't matter much what the price is."

EB WENT on and on. The farther he went and the more he listened the more amazed he became. Almost any woman was willing to pay from $5 to $50 for a few ounces of wire and silk if it were fashioned into her idea of what a hat ought to be, but shoes at $10 went begging, because most women knew that around the corner the same shoes could be bought for 25 cents less. A few yards of filmy silk and ribbon brought $75 in the dress department, while dishpans in the hardware department were growing dusty on the shelves because another store sold the same pan for a few cents less. No one protested against the price of Turkish rugs, but they refused to pay 39 cents for a pair of garters that could be bought at the Emporium for 38 cents.

But Keepers, Junior, wasn't yet satisfied. For a week he "shopped" in every department of the store. And always the result was the same.

"Dad," said Eb, at the end of his shopping week, "I've got it. I know why the business is not paying." His father looked incredulous, but merely said, "Well?"

"People think our prices are too high."



"Forty-seven cents? Why, at Bird's it is only forty-five."

"Yes, my boy," the elder Keepers interrupted; "I've known that for a long time. However, we can't possibly lower prices and stay in business. It costs us twenty-eight and a half per cent of our gross profits to maintain the store. I've advanced prices proportionately on all stock and figured the advance as small as possible, allowing a very small percentage of profit."

"There, you've said it yourself," the youth broke in; "you've advanced prices in proportion on all lines. But your lines were not able to advance evenly; some have been advanced beyond their capacity and others not up to their capacity. You have been producing salients in your entire 'front' line. Every one knows that a salient is expensive to maintain and must draw its support from the main line. Usually, therefore, it is a disadvantage.

YOU have two main lines—'shopping' lines and 'more-profit' lines—haven't you? The 'shopping' lines are those goods which are in constant demand and the price of which almost everybody knows, such as tooth paste, men's collars, handkerchiefs, hammers and frying pans. Even in the present day of high prices, almost everybody knows what they should cost. Other stores carry the same grades. You can't charge twenty-seven cents for a half dozen china cups that the customer can buy two blocks away for twenty-five cents. They are too well posted from the other fellow's ads.

"The 'more-profit' lines are those the value of which is problematical, such as millinery, expensive dresses, novelty leather goods and new designs in furniture. Our more-profit lines are selling well because the customer does not feel the raise in price; he has not so often compared merchandise of this kind and even if he has, he knows that a difference in price may be explained by some unseen difference in quality.

"However, he does feel the addition to the price of a staple commodity. The greater amount of our business is in the shopping lines. Nearly every store carries them. If we charge more for these articles than our competitors we will have the reputation of being high-priced and will lose the good will of our customers. That is what we are doing now. We are still drawing a great many people into the store, but they do not buy the every-day articles because our shopping lines are higher than those of our competitors. In the matter of sales our shopping lines are not keeping pace with our more-profit lines.

"I learned, while I was 'over there,' that six short charges, of fifty yards each, on a mile front gained more ground than three charges, of seventy-five yards each, on a two-mile front. It takes fewer men and the casualties are fewer.

"The same is true here. It is better to turn a dollar six times at two per cent than two dollars twice at three per cent.

"We must make our two main lines advance evenly. Before we do that we must smooth out the salient; we must make a short strategic retreat on the fifty-cent front and move up somewhat on the ten-dollar front. Am I right?"

KEEPERS, Senior, was astounded. Could this be the same lad who had left school and marched away two short years before?

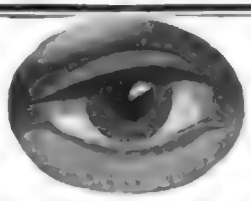
"Give me time; give me time," he answered. "Where did you learn all this?"

"That's a long story, Dad. We'll have that later. I know I haven't told you a thing you didn't already know except that you have been pushing your lines unevenly. It took a soldier to see that.

"You haven't spent enough time reading the separate sales reports for the various departments. Now I'll tell you what we'll do if you're willing; we'll re-mark every article in the building. We'll get the shopping lines down to the level of our lowest competitors and make up for the loss of profit on the more-profit lines. At any rate, there won't be a loss of profit in the long run, for even the shopping lines will turn faster.

"We'll advertise a prize to any one

(Continued on page 3)



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INSURE THEM



Emeralite Daylight Attachment changes harsh electric light into soft daylight. Ask to see it.

EMERALITE

With Daylight Attachment

WHAT YOUR EYES NEED

is a light correct in quality as well as intensity. Nature never intended us to work in artificial light. The excess of red and orange rays irritates the eyes. The new Daylight Attachment is a simple, inexpensive device that can be applied to any Emeralite. Ask your office supply or electrical dealer to show you the Emeralite with Daylight Attachment.

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10,000 Letterheads $29.50

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Philanthropy and Six Per Cent

(Continued from page 7)

arranged with local savings banks to take first mortgages for about 60 per cent of the value of the houses. The corporation carries the remainder of the loan in the form of second mortgages that call for a payment of 10 per cent of the principal each year.

These are term mortgages, payable on demand after six years. This arrangement makes it easily possible for the buyer, at the end of the sixth year, to re-finance the loan, for only 40 per cent of the original amount will be required. The cost of the houses runs from $850 to $900 a room, and the rents vary between $33 to $42.

It is to be regretted that aught need be said of profiteering. One housing company is talking philanthropy and making 42 per cent. The writer was taken to the boundary of a flourishing city, where a housing corporation is building houses by hundreds. Standing on what until recently was acreage, his friend pointed towards a distant spot and said, "Out yonder they are selling lots as high as $800 each."

One wealthy manufacturer in this small city invested $2,000,000, most of it war profits, in Liberty Bonds. Most of his employees are sleeping in tents. His business never will grow less; he is wise and admirable. It is doubtful, however, whether he recognizes the close similarity between Liberty Bonds and stock in a housing corporation, with respect not only to security, but also to humanitarian purposes.

When a certain steel company built its works in a wide expanse of open country it meant to consider its incoming wage earners. It sold building sites at cost. Land for housing purposes was then worth only $1 per capita. By the time the town had 14,000 population the land value had risen to $644 per capita, or from $27.30 per annum on a 6 per cent basis for a family of five, to $193. The advance was pocketed by the land speculators. This unearned increment amounted to $6,788,000, and the city has been called the most squalid and ugly in the United States, for the profiteers worked both ends of the proposition and made the houses the poorest they dared and the prices the highest.

Likewise, when the United States Steel Corporation acquired the site for the city of Gary, it reserved ample space for its corporate purposes, then laid out the remainder for homes and business places and sold the lots at cost. This was a fine thing for buyers at the moment, but at the end of ten years the unearned increment—only a small part of which accrued to the company's workers—amounted to $22,368,900, a handicap of such proportions as virtually to prevent the wage earner of today from buying.

Contrast these instances with the example of Letchworth, England, where seven square miles of open country were platted at the start for a city of 30,000 people, the stock of the building corporation being limited to 5 per cent dividends. Under a contract running eighty-eight years or longer, each householder buys an amount of the corporation stock equal to the value of the dwelling he occupies. In 1917, four years after the project was started, the unearned increment was $845,290 on a total cost of $1,239,030.

Re-leases at death of lessees or on earlier transfers add 4 per cent of the increase in land values. Because Letchworth owns the land on which it is built, as well as miles of adjoining farm lands, it is estimated that the city will get twice as much from the 4 per cent additional valuation as other cities get by taxation. Coming generations can buy on terms as favorable as those today. The unearned increment will make the city of Letchworth wealthy and will provide the highest order of public utilities and city maintenance.

WORKMEN often object to buying homes that tie them to a certain city or factory, and it is commonly agreed that young workmen should be free to move to other sections of the city in which they live, or to other cities. The purchase of stock in a housing corporation enables them to sell their holdings readily and without loss.

Our own manufacturers and merchants will perform a great service in supporting local housing corporations that pay a 6 per cent dividend. The greater amount of housing funds, however, must come from working people. It can come easiest from them, because they are accustomed to get 3 per cent on their savings, while housing corporations will pay 6 per cent. Savings banks and similar institutions that lend at low rates should lend on housing projects in America as they do in Europe.

There is no single type or project that can be cited as a model for all. One thing, however, we must do: we must cease to think in terms of single-family houses. We must plan for communities as such and for all-community needs—parks, playgrounds, and sites for schools, churches, stores and public buildings. We must have curved streets leading toward the big factories and the middle of town. Inside residence streets may be narrower,

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thereby reducing costs and saving ground for parks and playgrounds.

In each community the type and percentages must be adapted to local conditions. Some authorities in Williamsport regret that the houses built there are all row houses. In many communities workmen are accustomed to large yards and large houses, but in any city there are many small families who would appreciate the economy of the row house. These row houses are only two rooms deep, and in Williamsport they are so arranged that 97 per cent of all rooms in the entire project get the sun at some hour of the day.

THE popular conception of houses varies greatly, even within a radius of 100 miles from a given point. One observes this difference in following popular types from New England down through New York into Pennsylvania and thence into Maryland. Methods of financing differ, too, as well as methods of construction and methods for putting houses within the means of the workers.

The experience of experts, however, suggests the following as major consideration in the average successful housing project. We must—

1. Build lasting structures, with a view to loaning up to sixty years on buildings and eighty on land.

2. Keep the costs as low as consistent with quality; make it a "production" proposition and employ the best intelligence and engineering skill.

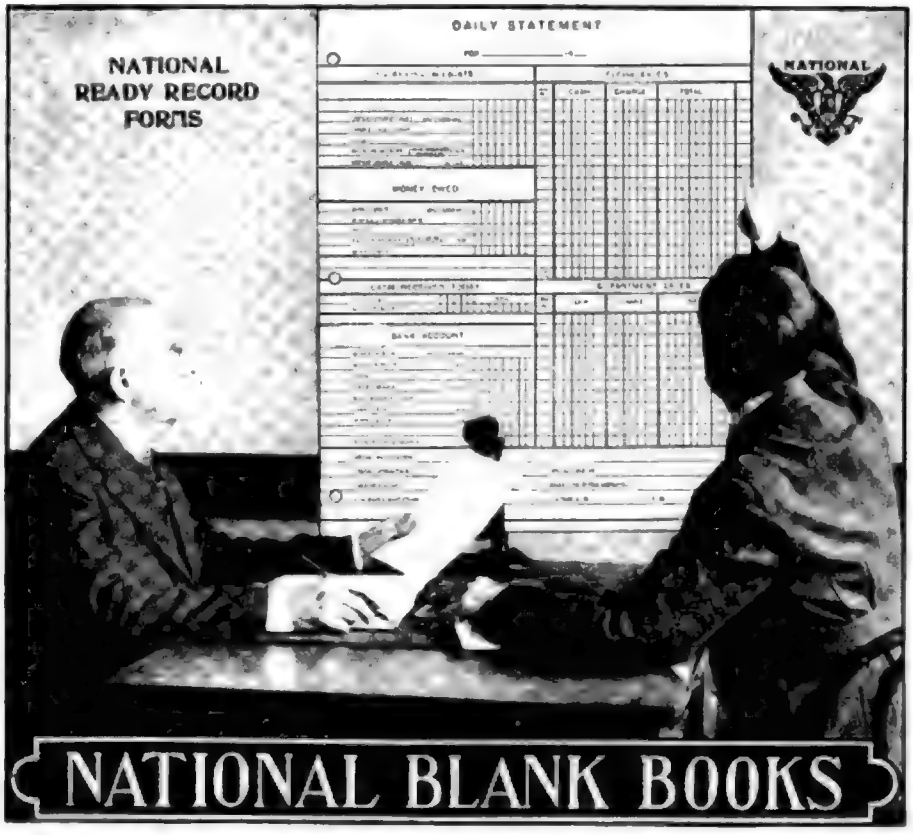
3. Sell at approximately cost and on terms which wage earners of varying incomes can meet without anxiety or failure. For some buyers this means very long time; for many it means amortization.

4. Form local housing corporations, with the aid of local chambers of commerce. Let manufacturers, merchants and professional men buy the stock, and let this stock be limited to a dividend of 6 per cent.

5. Have part of the homes in "row" and "semi-detached" houses, which lessen cost and upkeep.

6. Park all developments. America is getting away from the "gridiron" plan of right-angle streets of uniform width—streets which are so ugly that no other nation will use them in residence sections.

7. Ultimately—and why not now?—preserve the unearned increment in the housing corporation, as other nations do. Thereby we shall settle the housing problem not only for the workers of today, but also for those of future generations.



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Trained While You Wait

(Continued from page 13)

firm jaws and prominent chins. They are domineering and dogmatic. Sometimes they reason and sometimes they don't. Nine times out of ten the salesman has to assume the position of a servant and make up his mind that this type of customer is always right. If he does this he has very little difficulty in closing the sale.

Then there is group four—those persons who have very wide heads regardless of their height. They are selfish. They look out for No. 1 always. They drive close bargains. They are good shoppers. They don't make money for the average store, because in all their transactions, they buy at a low price and sell at a high price. They are money-getters. They are not always well groomed, they don't always have automobiles, but they live comfortably, have plenty of food and are well able to take care of themselves. Most financial men have wide heads.

Then there is the last group—the emotional type—people who have very large full backheads. These people love children, birds, horses and animals, and are very emotional. As a rule these people can be quickly sold. If you sell them merchandise which is priced too high and which is not up to standard in quality, you can expect them to become your enemies for life. They help you to get more business, provided you give them a square deal. If you don't, they are sure to drive a good deal of business away from your store.

Start ten people in an amateur foot race and there is always someone who comes out ahead and someone who comes out behind. Just as people differ in their physical capacity to run a race, or lift a weight, so do they differ in their mental activity and ability to digest an idea quickly and act on it. So in selling merchandise, the selling plan must be evolved around the merchandise itself after a careful study has been made—first, of the merchandise and its use; second, of the customer.

It requires entirely different selling plans to sell a pound of 20-cent coffee and a pound of 60-cent coffee to a customer who is buying her first pound. It requires an entirely different selling plan to sell $25 corsets where the saleswoman has been in the habit of selling nothing over $8.50. A store selling men's clothing, which in normal times did not run over $40, finds itself seriously handicapped in these days when suits are selling as high as $100.

The woman who buys coffee at 20 cents a pound is simply interested in a black fluid which has a certain odor and which stimulates her. The woman who buys coffee at 60 cents a pound is not interested merely in a black fluid which stimulates her and which has a certain type of odor; she wants an odor which can be detected and picked out as being exclusive—and more important than the odor is the exclusive taste. She must recognize and like it.

The average salesman who does not drink 60-cent coffee in his own home finds himself embarrassed when the better class of customer asks the difference between the 20-cent coffee and the 60-cent coffee. One has to know these things by actual experience before one can tell the customer the difference.

The woman buying a $25 corset insists on silk material, softer bones, fancy trimmings and a more perfect fit than the woman who pays $8.50 for a corset which will give her more than a year's wear, and which she can launder herself.

Clothing stores this spring will face higher prices than ever. The merchandise sold in the fall of 1919 represented thousands of yards of material which were made before the war started. Practically all this material is now out of the market, and materials made since the armistice was signed are about the only materials available. As a result the average good suit of clothes for the spring of 1920 will be $50, $60 or $75. Five years ago these suits sold for $25, $30 and $35.

If the salesman is to get these higher prices he must be able to demonstrate the exclusive features of the suit and its workmanship, and must be able to explain in a convincing way why materials are so much higher and why the suit itself costs more, and the fact that the cost of labor has more than doubled.

A *SELLING* plan is based on one of four or five different laws in psychology, the principal one being that there are two ways to get to the customer's mind and encourage his decision. One is by the short circuit route and the other is by the long circuit route.

Under short circuit selling articles we classify everything which our parents have used. Under long circuit selling articles we classify everything which our parents knew nothing about or did not buy and which are practically new to us. For instance, an aeroplane would be sold by the long circuit selling route, while soap is sold by the short circuit selling route.

Of course there are many long circuit ideas involved in some short circuit sales. For instance, if we were selling a pair of shoes which buttoned up in

Google

the back instead of lacing up in the front, we would have to be prepared to meet the natural objections in the customer's mind. She has always worn shoes that lace in the front; why should she buy these new shoes? Of course anything like this probably never would occur, but it illustrates graphically just what I mean by a long circuit argument tied up with a short circuit sale.

Look about you in your own store today and see the things that are short circuit and the things that are long circuit in their selling opportunities. More than one salesman has told me that his sales have jumped immediately after he had thoroughly digested this idea and tried it out on the things he was selling.

One chart which we used shows how we visualize this idea so that the salesman can pass it on to his associates when he returns from school.

SELLING has changed materially in the last twenty-five years from being that of a game of wits and sharp dealings and practices to a calling of service. Customers come in to be served, and while they are in the store, or in the office, or in the wholesale establishment, the salesman should mentally assume that he is a servant, just as do the doctor, the nurse and the lawyer.

I have always contended that a person can enter a store, and by using the simple things we have evolved in this method of training, can retire on his savings in twenty years if he will stick to one thing—that of selling merchandise.

I know of more than one salesman who today is earning upwards of $5,000 a year in a retail store. They earn this money not because they have a pull with the boss or because they have a relative at the head of the business. The earnings are based absolutely on net sales, and in most cases the salespeople take only 5 per cent of their net sales for their personal income.

The J. & T. Cousins organization is conducting this splendid school annually for more than one reason. Naturally the first reason is to have their own shoes sold better, but this would be a selfish and small reason if it stopped there. They do it because they believe that retail selling is coming into its own, and that the salesman has no limitation on his income or his opportunities. He is in business for himself just as much as his employer. They are partners. The retailer would like to see his salesmen sell more merchandise and give better service, but in most cases he is in no position to get the desired information about customers, merchandise, the selling plan and the salesman.

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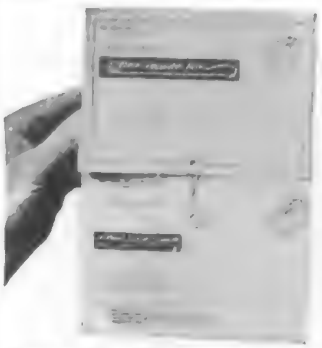
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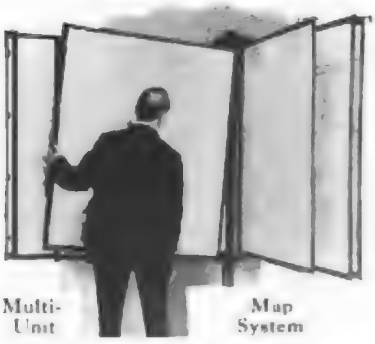
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Also Lists in all classes of Automobile Mailing Lists.

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All Commercial Lists show Financial Rating.

State your needs.

Trade Circular Addressing Co.

166 W. Adams St. Chicago, Ill.

Established 1880. Capital $50,000

A Lesson in Wages

(Continued from page 9)

by three articles with the cheap labor and by five with the better labor. They "got" my point that higher wages would have to result from greater efficiency to keep the industry from going under.

In a second lecture I took up, under the subject "Cash to Cash," the functioning of an industry. I started by drawing a chart somewhat similar to the ones used in the first meeting. With the sketch I traced the steps, "cash to raw material dealers," "raw material to plant," "finished products to customers," "cash to treasury with excess of income over outgo figured as gross profits."

Having carried the employees through the main points of the organization by means of charts, I brought out a large and more complicated chart which covered the same idea—the functioning of an industry. Involved in it were the same ideas as in the others with more details added. In the center was the idea surrounded by management which, in turn, was surrounded by directors who were tied up with the stockholders in the finance circle.

Pointing to this larger chart, I repeated the cycle and showed that the treasury department furnished funds to the purchasing department. By means of a purchasing order the purchasing department obtained raw material. This material came from the raw material dealer to the receiving department and went into the raw stores room. From there the raw material went into the plant where, by combination of plant equipment and physical resources, it was transformed into finished products and sent to the finished-stores room. The sales department, using advertising and salesmanship, then produced sales orders, which sent the product from the store room to the customer and caused the billing and collection department to function.

The customer, in paying the bill, sent cash into the treasury department, where receipts were used to pay wages, dividends, interest, overhead and taxes and buy more raw material.

As the charts used in illustrating the various points were drawn as we went along, with the exception of the large chart, each employee was able to grasp the significance of each factor of the industry.

I believe that the charts have started our men thinking right on financial and industrial relations. If they have, I am well repaid for my effort.

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The Right Arm of Selling

(Continued from page 17)

168 firms. It is signed by the sales manager and very simply states that the house is regretfully aware that it has not had the pleasure of selling them anything in six months. Then comes the well-worded "why," soliciting complaints and all information accounting for the termination of a profitable relationship.

To those who fail to respond to his first courteous inquiry a second letter this one signed by the general manager and a little more urgent—is sent.

One "dead" account came back with this:

Jamesville, Pa.
Edgar & Cumberland, July 2, '19.
Jackson, Mich.
Gentlemen:

So you want to know why I don't trade with you any more?

It's because I am not a darned fool.

I came into your house and ordered about $20 worth of small automobile supplies to take home with me and you made me pay C. O. D. That's a fine way to treat a man that has paid you $600 a year—every cent of it on time—for the past five years.

Yours truly,
W. J. McBETH.

This live team of sales manager and credit manager lost no time in tracing this—which was just one of a dozen come-backs—and they found that McBeth had come into the house near to closing time and bought some goods. The salesman in phoning the credit department for an O. K. on the charge had given the name as W. J. McBenn. And McBenn was a C. O. D. account. Naturally the order came back C. O. D. and the clerk collected. And naturally, again, McBeth quit the house, and quit cold.

The same day McBeth's story came to light and the investigation revealed the whole incident, the general manager of the concern took a train to Jamesville. He had a little difficulty in getting McBeth over to the hotel to enjoy dinner with him, but over the convivial cup—of coffee—McBeth was convinced of the unintentional character of the "boner," and not only promised the general manager an order but gave it to him.

The sales manager has the co-operation, in theory at least, of every department of his house. The one thing any business firm is in business for is business. Business is the meat and drink of its existence.

Let a credit department function on the theory that it is a get-the-money department and that its efficiency rests in getting it promptly, and you have no bigger obstacle in your purpose to grow.

When the credit manager drops the "Is-he-a-deadbeat" attitude and shifts to "We-can-work-together," then—well, increases are inevitable.

Won on the Ten-Dollar Front

(Continued from page 27)

who will tell us of an article that can be bought for less anywhere in town. People have money and are willing to pay for what they want. The luxury tax has not decreased the sale of luxuries. Almost any one who is willing to pay seventy dollars for a coat will just as readily pay seventy-five.

"People are willing to pay for what they want, but as long as they can compare prices on the same standard of goods they will buy where the article is cheapest. What do you say? Have you the courage to cut prices on the shopping lines so that we can meet all competitors and raise the profit on the more-profit lines to a point where they will pay the profits the business is entitled to? Let's have your opinion."

The senior member was skeptical, but his son's argument sounded good. He could see it now.

"Yes, my boy, you're coming into the firm now as an active member and we'll give your plan a tryout. Go to it."

Eb lost no time. He promptly advertised a general sale for the Monday of the following week.

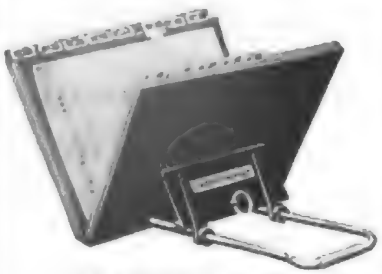
Monday's sales proved that the advertising had brought results, for the store was filled with shoppers in every department and Monday night found a great deal of old merchandise gone, leaving space for new goods.

All remaining goods were re marked according to plan and a new advertising campaign was started, featuring Eb's "prize" idea. This advertising produced no spectacular results and no abnormal increase in sales, but the monthly reports for three consecutive months showed a steady increase in sales—an increase that was general throughout the store.

Another day found the elder Keeper staring hard at nothing over the same shining rows of display cases, but this time there was a twinkle in his eye.

"My boy," he began, "you've made good here just as you did 'over there,' and although you got only a second lieutenant's commission there, I'm satisfied that some day you'll be a captain of industry here."

"With your help, Dad, I may be. Right now all I want is to be an ally of yours and to keep the shopping lines and more-profit lines advancing evenly. What we want is sales—not salients."



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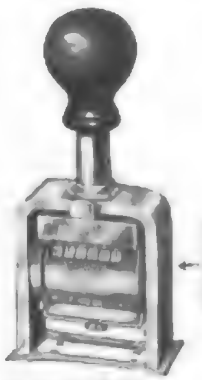
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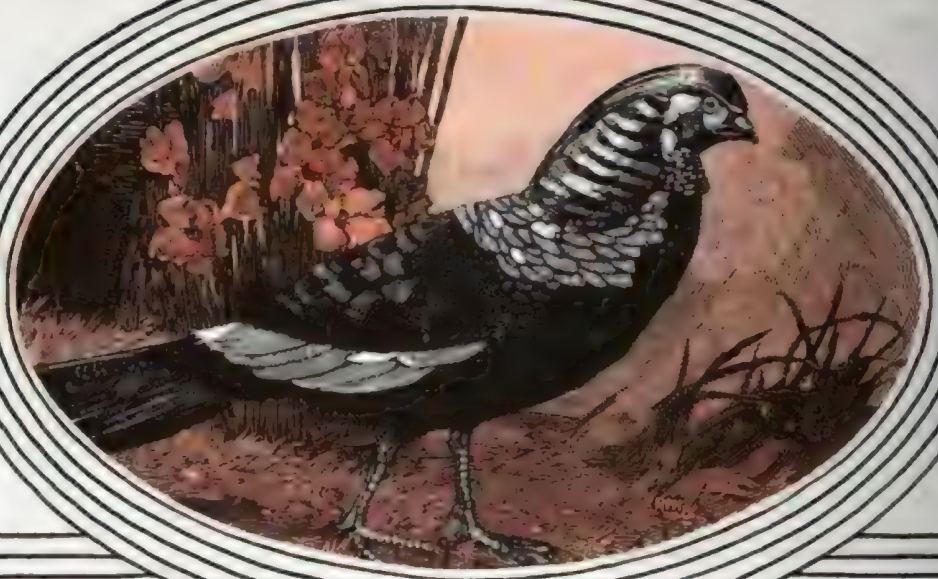
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BUSINESS



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BUSINESS

Volume 1, No. 7 April, 1920

Lucien Kellogg, *Editor* P. P. Martin, *Business Manager*

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When the Boss Hits the Ceiling



When you hand the boss a bunch of bills, instead of glancing at them and scribbling his O.K. as in the good old days, he *just roars and GOES UP IN THE AIR!*

And no wonder! Everything has been going *up and up!* And the situation has been growing *worse* and WORSE, with no improvement in sight, and—

Well, when the boss gets down somewhere near terra firma again, why don't *you* take him one side and explain *gently but firmly*,

That *you* know *one big thing* that can be done. That it may not solve *all* his troubles, but that it *certainly will* as far as *printing* is concerned,

That if he agrees to it he can begin right then and there to *SAVE MONEY on printing* instead of losing it That printing delays will be turned into *johnny-on-the-spot deliveries*—

That the work can all be done by his *own* help, in his *own* office *under closest supervision*—That it will enable him *to take advantage of sales opportunities* he can't *look* at now—That it will *build new business* and help hold the old.

When he realizes what all this means to him and his plant, he'll say,

"*Young man, if all you say is true*, I'LL RAISE YOUR—scalp, if you don't get that Multigraph representative over here inside of fifteen seconds."



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Let's Stop Burning Money

Artificial Fire Walls and the Doctrine of Personal Liability Will Reduce the Loss of $250,000,000 a Year

By FRANKLIN H. WENTWORTH
Secretary, National Fire Protection Association

I WAS sitting in the St. Francis Hotel in San Francisco one day last October, reading a morning newspaper. Two forest fires, set by careless campers, were at that moment destroying the magnificent forests on the watersheds of the Los Angeles water district. A forest fire which had already destroyed several square miles of fine timber was still burning in Montana.

The previous day I had come from Reno through Blue Canyon and had seen its once beautiful reaches of wood seared and blackened by a fire that was still smoking.

Fire caused by a defective wire destroyed a San Francisco wholesale coffee house and $250,000 worth of coffee. At Lexington, Nebraska, fire caused by an overheated journal bearing destroyed a mill, an elevator and $200,000 worth of wheat.

All this was reported in that one issue of the San Francisco Chronicle.

Just then a lady and gentleman arose from a window embrasure of the hotel and walked out. The gentleman had lighted a cigar and thrown down his match. The lace window curtain flamed to the ceiling and a $500 plate glass window cracked and fell into fragments with a crash. I thought of twenty-five years devoted to fire prevention and I had a queer sensation of nausea.

There is no excuse for an unextinguished camp fire, nor for a defective electric wire, nor for an overheated journal bearing, nor for a carelessly thrown match. And yet for the last ten years $250,000,000 of created resources—houses, mills, factories, wheat, corn and cotton—have been burned in America every year from such damnably silly causes as these.

What is to be done about it? Can we make over the minds and characters of this careless, indifferent, slipshod, criminal, fire-breeding population which the last century in America has produced? We must do so or fail utterly as a nation; for no nation, however bountiful its resources, can stand forever a drain like this.



This is what happens when wooden window frames and trimmings are exposed to fire. This office building was built to resist fire, yet its interior and contents were almost entirely destroyed. A good argument for wired glass in metal frames

Whose is the duty of checking this waste, of shocking into sensibility this American population that is so recklessly burning day by day the common property of the world? This was the question which a little group of New England factory engineers asked of one another twenty-five or thirty years ago. The outcome of that conference was the creation of the National Fire Protection Association, an organization of men in all walks of life who saw the economic significance of the fire waste and sought means to check it.

The first researches were physical. Why, when factories caught fire, did they generally burn to the ground? The answer was easy: they were built to burn. Their floor areas were much too great; their stairways and elevator wells were open from the cellar to the roof; their window openings were unprotected; belt holes to countershafts were cut through floors and walls in every direction, so that a fire starting anywhere would sweep over acres of floor space, and had a choice of good draft flues to the roof. No fire department on earth can check a fire once started in a building like that. As to the causes of fires, 50 per cent or more were started by heat-producing devices or processes, which might easily have been segregated or especially safeguarded, and thus not have burned the entire plant every time a fire started.

Why hadn't these simple, kindergarten ideas in engineering been adopted before? Why hadn't someone thought to protect lateral and vertical building openings, to segregate particular hazards, to distribute mechanical power without riddling a building with draft-holes? Because these were ideas of fire protection, a new thing in American psychology. Up to that time the only working ideas had been those of fire extinguishment and fire indemnity, and even now these are the only ideas that have yet entered the minds of most American people. Factory builders, underwriters, engineers and some architects and business men are now awake to the new psychology, and this fact has given us our splendid modern factories, safely and sanely built and equipped with the automatic sprinkler.

In 1895 there was another aspect of this defective psychology. There being then no fire prevention consciousness, there naturally were no fire prevention engineering standards. There

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were no standards for the automatic sprinkler, the fire door or shutter, the fire hose, the chemical extinguisher or electric wiring; no regulations governing safe uses of gas or explosives, oils or chemicals. There were no fire prevention standards on any subject whatever, and it took years to work them out and codify and publish them.

Meanwhile the fire waste had gone on increasing almost in geometrical progression. The habits of the American people, the most careless on earth with fire, had not been touched by this research work in standards and factory construction. A larger campaign must be undertaken, a campaign of education to reach the people. It was a colossal task, a task not yet completed, a task which sometimes seems not yet begun.

The group of engineers who had made the factory investigations prepared and printed a bulletin on the subject of the fire waste, showing its extent, its economic significance and how it might be checked. This bulletin was sent to every daily newspaper in the United States and Canada. It went into editorial wastebaskets from Halifax to San Diego. The editors were as ignorant of this huge problem as the man in the street. Several of them wrote to say that if the fire insurance companies wished to reduce their risks by advertising the facts set forth, the advertising rates were so much per line. They assumed that the National Fire Protection Association was an underwriting organization because they could not understand how anybody except the underwriters could be interested in reducing the fire waste! One or two editors assumed that the bulletin was the first note in the promotion of some fire-extinguishing appliance. It was pathetic.

A way to educate the newspapers had to be found. It was found by the National Association of Credit Men. This body was, and is, a member of the National Fire Protection Association. Its private interest in fire protection is that of safeguarding stocks of goods sold on credit. Its public interest is that of a body of men whose occupation and habits of thought naturally foster ideas of conservation and efficiency. The National Association of Credit Men has 15,000 members, with local organizations in all important cities. Its members pass upon the credit of purchasers of merchandise from the big merchants. The big merchants advertise in the newspapers, and when a newspaper hears a noise like an advertisement the matter is always one of public interest.

In the winter of 1911-1912 the credit men conducted a fire prevention meeting in each of the sixty cities in which they had local organizations, with an officer of the National Fire Protection Association as a speaker. The manuscript of the speech was sent on in advance and the meetings were well reported. The unconscious conspiracy of ignorance was broken. Many editors wrote editorials. Never since that time has an American newspaper denied that fire waste is an important national matter.

THE fact that an influential body like the credit men was taking an active interest in the subject gave the cause of fire prevention a local foothold, and local and state propaganda an effective and forceful instrument. Many educational efforts were undertaken. State laws to provide for creating the office of fire marshal were demanded; the teaching of fire prevention in schools was promoted; Fire and Accident Prevention Day and Clean-up Week were established; the old Independence Day orgy of fire and noise was successfully attacked by the substitution of sports and other sane observances, reducing the number of deaths from 466 in 1903 to 30 in 1915, and the blinded and injured from 5460 in 1908 to 1135 in 1915; in fact, every sort of educational effort was put forward through all available channels, local, state and national. But the huge annual fire losses remained unaffected. It was, and is yet, too soon to realize upon our investment in public education. Some more definite plan of attack was necessary. An evolution of the fire department was conceived.

The mental habits of a people are a vital factor in effecting social progress. As late as 1912 it was the mental habit of our people to assume that fire departments are maintained for the exclusive purpose of extinguishing fires. Our fire departments themselves assumed that. It was obvious, however, that fire departments had large possibilities for service, not only in putting out fires, but in preventing them. While firemen were not busy they might be inspecting buildings. This would result in revealing fire hazards, in keeping the city clean and in educating the fire-fighters in the physical characteristics of the city. Cincinnati was induced to undertake this in 1913. In the last six years such inspection service has become an established practice in all progressive cities. The result has been a radical reduction in the number of fire alarms.

This inspection by fire departments still further revealed the careless habits of the people. Many prominent merchants viewed it with hostility. They considered it impertinent for a fireman to tell them to clean the rubbish out of their basements and alleys. The plan faced failure because the citizens wouldn't co-operate. Their premises were insured; the conditions were their affair—theirs and the underwriters.

So a plan had to be evolved to stimulate the co-operation of the citizen who was paying taxes to support the city department whose efficiency he was opposing. An idea was imported from France—the idea of personal liability for preventable fires. In America if one's carelessness wrecks a neighbor's automobile he must pay his neighbor's loss; if his carelessness burns his neighbor's house he need only offer his condolence. It is a habit of mind.

In Europe the man who has a fire is looked upon as a public offender. In America he is looked upon as an unfortunate. People still imagine that the underwriters pay the loss; that they pay $250,000,000 a year out of their surplus and capital stock—and remain solvent! It is to laugh! The fire waste touches the pocket



The furious burning of a shingle roof under exposure

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"In Europe the man who has a fire is looked upon as a public offender. In America he is looked upon as an unfortunate. People still imagine that the underwriters pay the loss; that they pay $250,000,000 a year out of their surplus and capital stock—and remain solvent!"

of every man, woman and child in the nation: it strikes as surely but as quietly as indirect taxation: it merges with the cost of everything we eat and drink and wear. Every stock of goods is insured: the insurance is added to the cost of the goods; and when we buy a hat, or a shoe, or a coat, we pay this insurance concealed in the price of the goods.

The attorneys-general of half a dozen states have given it as their official opinion that under the American common law a man, whose negligence causes a fire, is liable for fire damage to his neighbor's house; but nobody thinks of bringing suit. The habit of mind that the insurance companies pay the loss is too strong. But in the personal liability idea of the French resides a companion thought that is permeating the American brain—the idea of imposing a charge for the use of the fire department upon the man who disregards a fire prevention order. The progress of this idea in America is enlisting the co-operation that is sought by those who have promoted fire department inspections.

The argument for this law or ordinance is unanswerable. No civilized community should expect its firemen to risk their lives in fighting fires that are easily preventable; enough danger always will be encountered in extinguishing those which are not easy to avoid. For many years we will continue to have disastrous fires and fires of great magnitude in those cities in which wooden construction still makes sweeping fires possible.

The aggregate fire loss cannot for some time be taken as the direct measure of success in fire prevention. It is the decreasing number of fire alarms that is to be the significant factor, and nothing will reduce the number of fire alarms so radically as the fixing of personal responsibility therefor. The utmost achievements of fire-fighting science are crippled and balked by the habits of a people encouraged in irresponsibility toward the common safety.

THE attention of such a people cannot be attracted and a correction of their mischievous habits achieved by any ordinary methods of polite education. They must be made responsible for their acts of trespass. A man who has a preventable fire picks the pockets of his neighbors, either through the medium of fire insurance or an unjustified use of the public fire department which all must support.

Fire departments are not maintained to protect a man from the results of his negligence, and when he calls upon the city in any such case he should be made to pay for the service.

The safety of a whole city may be jeopardized at a critical moment by the diversion of the attention of the fire department in the run to a fire which never should have occurred. The man who makes continual inspection of his premises so necessary is the careless and indifferent man who will not protect himself by decent housekeeping. He makes imperative a larger fire department, and lays his neighbors under assessment to maintain it.

Is it not, then, peculiarly just that when the department issues an order and a fire results from its non-observance, the offenders should pay to the city the full value of the services of the fire department and any damages in person or property resulting thereto in extinguishing or attempting to extinguish such fire?

Considering the American psychology, an amazing success has been achieved in the last few years in gaining the recognition of this principle. Already it has been written into the charter of the city of Greater New York, the state law of Pennsylvania and the city ordinances of Cleveland and Cincinnati, Ohio; Portland, Oregon; Billings, Montana; Austin, Texas; and Newark, N. J. These cities and this state, therefore, are the leaders in a movement the justice of which is irrefutable, and which is bound to exert a profound influence in correcting the defects of character that make for America so unfavorable a showing among the more prudent nations of the world. New York City has won two suits under this law, the offenders paying respectively $2500 and $1000. A knowledge of the

(Continued on page 28)

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What Will They Eat in June?

A Chart of Monthly Sales Shows the Grocer What Foodstuffs to Buy and How Much of Each

By R. M. McCABE

IF IT sold well in June last year, it will be very likely to sell well in June this year- especially if "it" be groceries or something falling into the classification of foodstuffs.

Appetites and tastes do not, like styles, change much from year to year. The grocer's article that was a "best seller" in June, 1919, probably will be numbered among the "best sellers" in June, 1920.

All, then, that the grocer needs to know in making his buying plans for 1920 is what sold best in certain months of 1919. If he follows pretty closely the stocks that sold best in 1919 he cannot go far wrong in 1920.

One of the most successful grocery stores in this country had been having quite a serious difficulty with its "shorts and outs," especially in certain seasons of the year. The manager was well up on the general demands of the public, but quite frequently he was caught short on the very commodities that his trade was demanding.

He had to depend to some extent upon his "want" systems to supply certain stocks, and the clerks in his department, like clerks in many departments, neglected to enter the "wants" as they came up. This manager, in searching for the answer to his problem, hit upon the idea of making a complete and thorough analysis of the sales for each commodity throughout his grocery department.

This analysis was made solely upon the data furnished by a special opening and closing inventory by the month—data simply arrived at. The accompanying chart embodies the sales analysis for June, 1919, indicating by percentages the commodities that sold best during that month, and showing the relation of sales of one commodity to those of another.

This manager's buying is now regulated to a great extent by the data furnished by this monthly inventory and sales analysis. With these sales analysis sheets constantly before him, this manager knows, as he makes up his orders for months ahead, just about how he should order, what he should order and the quantity he should order.

Figuring on the business increase, or decrease, if in his judgment a decrease is likely, he buys according to the tale his analysis tells. He knows how much butter he should buy in relation to the amount of butter substitutes he should buy. He knows by looking at his analysis sheets for June and for November that he sold in the preceding year many more cured meats in November than he did in June, and he knows about how much cured meats he should buy for his June business.

Those facts are always before him. Comparing monthly sheet against monthly sheet, he can keep the closest and most accurate record of what sells best in certain months, always taking into consideration market fluctuations as they affect the demand for certain foodstuffs.

To the grocer or to the merchant in any line of trade, the percentages of demand for foodstuffs, as illustrated in the analysis shown here, are vital statistics. They indicate the trend of the public taste, and they contain as well some interesting data for the manufacturer and wholesaler of foodstuffs.

THE manager of this grocery department, which is part of a very enterprising department store, detailed to the writer some of the observations he had made from the analysis sheets he keeps always before him, and his conversation stressed many angles of the foodstuffs business which are of especial interest both to the retailer and the jobber of those commodities that find their way to the consumer's table.

"Take the first item shown on my sheet—sugar. You will note that the sugar sales for June were 13.608 per cent of the total sales of the department for that month. The explanation is simple. In our locality June is a fruit month. Housewives are busy putting up fruit and vegetables; that means a big demand for sugar.

"But there is another explanation for sugar sales last June. In that month we began to hear rumors of a 'sugar shortage.' Some of our foresighted customers bought all the sugar they could get. The result was really abnormal sugar sales.

"In placing my sugar orders for next June, I shall take these facts into consideration. If there are indications that there will be plenty of sugar, with no prospect of such a sugar shortage as we have been having, I shall probably buy less sugar for June, 1920, than I had for June, 1919. If, on the other hand, there are indications of a big fruit year with a possible shortage and a higher sugar price, I shall buy heavily."

Sugar is scarcely a fair gauge in these times of sugar stress, but the grocer's line of reasoning suggests the benefit he derives from having his sales analysis always within reach.

Something for the maker of butter substitutes to think about appears in this June sales analysis as it reflects butter sales. The chart shows that in June 12.969 per cent of the department's sales were real butter, and that 1.298 per cent of the sales were butter substitutes. Clearly an indication that during the summer months, while butter costs less than it does in the winter, much more butter proportionately is used.

A chart of the mid-winter months' sales of butter and butter substitutes shows the reaction of higher butter prices on the substitutes. Beginning with the cold weather, snow-covered pastures and the resultant higher butter prices, the demand for butter substitutes climbs and climbs and climbs. Butter demand shrinks, and as it shrinks the maker of the substitute cashes in.

There may be an advertising lesson in this fact for the maker of the substitutes. From these figures he can judge that the right time for him to spend the greater part of his advertising appropriation is "when it comes easiest"—that is, during the months of high-priced butter and the natural demand for substitutes. He will get greater returns from his advertising when his audience is thinking of something to take the place of butter.

"Local conditions govern sales of fresh fruits and vegetables," explains this groceryman, pointing to the percentage of sales for those articles. "In a large city where we have few market gardeners going from house to house, and where there are few city gardens, the public has to buy fresh vegetables and fruits in the grocery. That is the condition in my city. The bulk of green goods is sold in the stores. That explains the rather heavy percentage—5.674 per cent—of fruit and vegetable sales. There was also a good lesson in those figures for me."

Probably canners are familiar with the general belief that the months of

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fresh vegetables usually are not good months for those who sell things in cans. Yet this analysis shows that despite the fact that June is the month for fresh green things, still 1.593 per cent of this store's total sales were canned peas, corn and tomatoes—not a bad showing at all for canned goods which are in their strongest competition with "freshly-picked things."

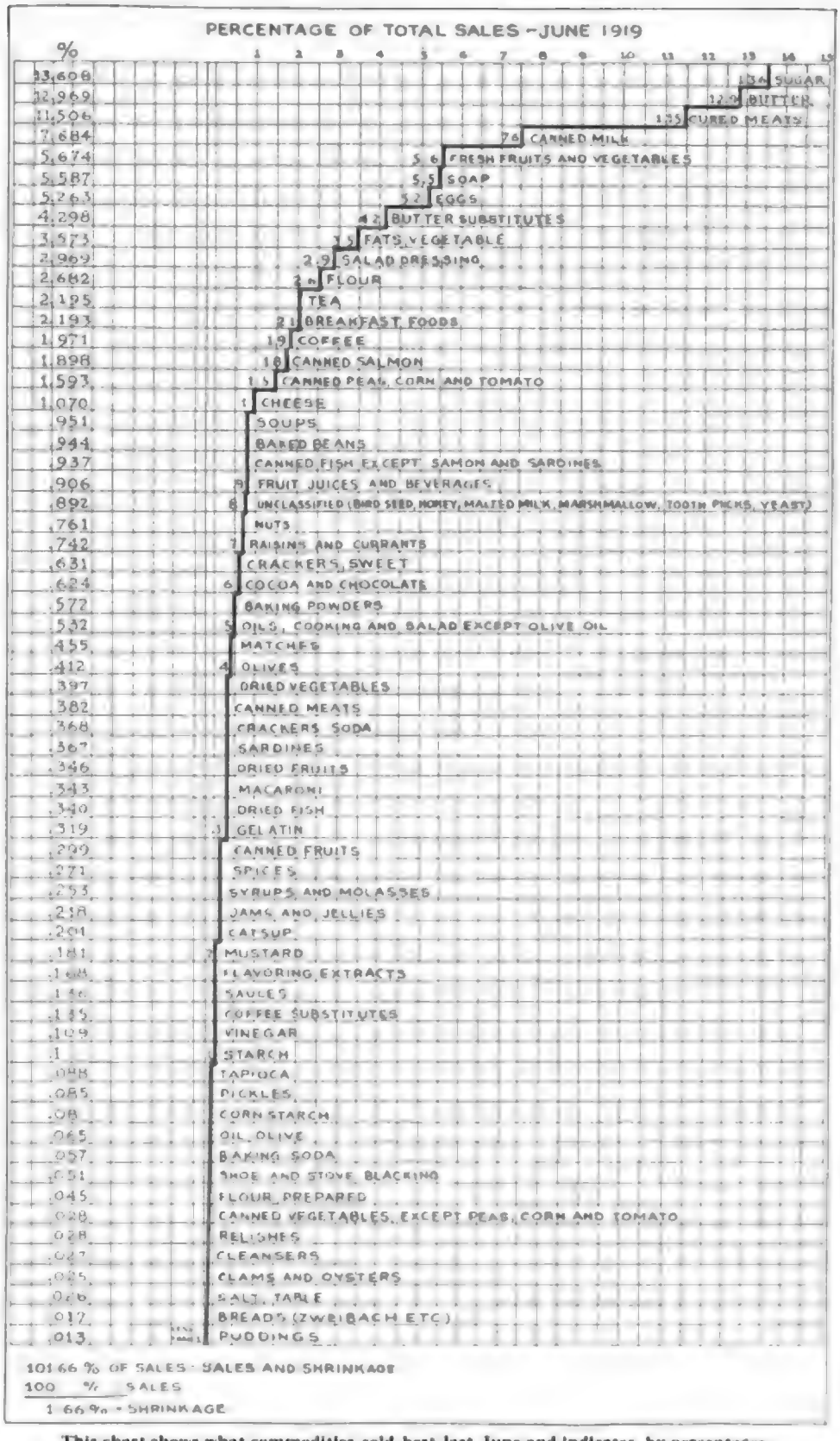
"*I LEARNED* something from that, too," admitted this groceryman. "I'll know now that even though next June is a normal month, with the prospects of a big yield of fruit and vegetables, it is likely that I can do a big business in canned goods. I'll not let my canned goods stocks run down for fear of garden competition. To me that shows that the canner of vegetables is doing such a good job that many housewives prefer buying them in cans to buying them fresh and spending extra time and work in preparing the fresh ones for the table.

"The story told by the canned peas, corn and tomatoes shows me something else. They are the commodities that sell best in the summer months. Note on the sheet that all the other canned goods together totaled only .028 per cent of the department's entire sales, as against the 1.593 per cent for the three specified. You see, now I know what to buy most of."

The average groceryman established in the heart of a big dairy country, as this store is, would scarcely think that 7.684 per cent of his total month's sales would be for prepared, or "canned," milk, yet this store did a decidedly worth-while business in this product. Dairy milk also is carried in this store's stocks now, but it was not at the time the June analysis was prepared.

The demand for prepared milk indicated that there would be a demand also for fresh milk, so fresh milk was added to the regular lines of commodities, but despite this competition the "canned" milk holds its own and continues in high favor. Sales of the prepared article fluctuate little from month to month, the use of it during the war at the army camps evidently having something to do with its steadily increasing popularity.

This graphic chart gives clean bills of health to some of our old "stand-bys" in foodstuffs. For example, coffee. Here is a commodity that has been maligned, insulted and mistreated by advertising men, doctors, and health cranks. Despite that opposition, observe that in this grocery department coffee sales amounted to 1.971 per cent of the department's total sales, and that coffee substitutes made a showing of .135 per cent. This showing, the groceryman tells me, isn't bad at all, considering that coffee is one of our oldest drinks and the coffee substitute one of our newest, and considering, too, that before iced coffee was discovered coffee was scarcely a "summer drink."



This chart shows what commodities sold best last June and indicates, by percentages, the relation between sales of one commodity and those of another. Thus it serves as a guide in buying for the coming June

The groceryman of the olden days when "coal oil" and dried fish were the "best sellers" would get a real thrill if he could see the figures turned in by the breakfast food department. Breakfast food sales in June totaling 2.193 per cent of the store's business, it is logical to suppose that the bulk of these foods was the variety that requires no

(Continued on page

Science and Your Letterheads

How Industrial Research Has Found New Methods and Set Up New Standards in the Paper Industry

By GEORGE A. GALLIVER
President, American Writing Paper Co.

WHEN you buy an electric lamp, a little label attached to the glass tells you the voltage at which the filament will glow most efficiently and also the energy that the lamp is intended to consume. Before you ever screw the bulb into its socket, you know the amount of light which it will shed, and how much the maintenance of the bulb will cost you.

The lamp has been standardized and classified.

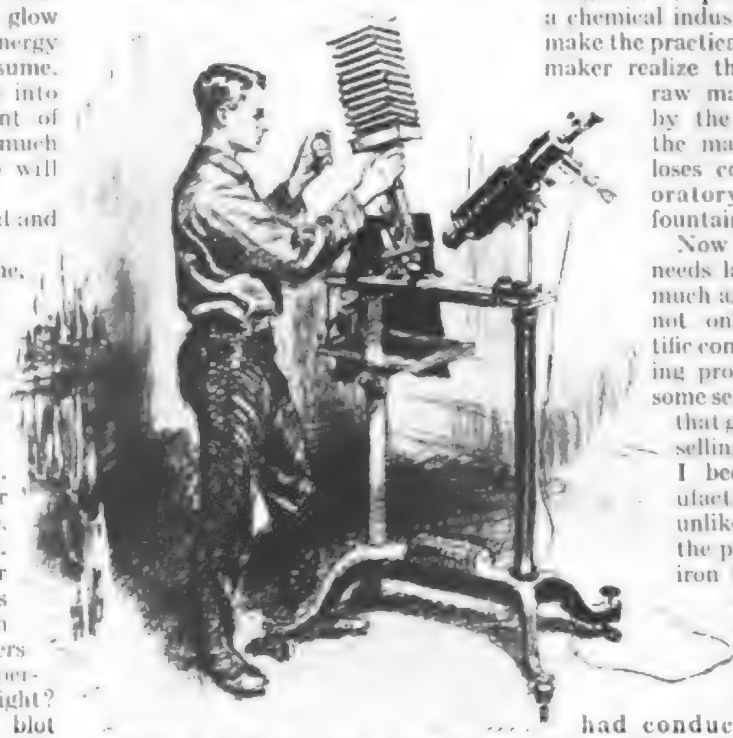
So it is also with a steam-engine, a shoe-making machine, a telephone, a kodak, a stick of dynamite, a pure drug, a thousand products made by great corporations.

But when you buy a ream of writing paper you have few frankly stated facts to guide you. Of its suitability for a particular purpose you are told very little. You learn the weight of the paper. That is about all. Does it tear easily? Will the ink run on its surface? How does the finish compare with that of other papers of the same kind? Is its color permanent? Will it yellow in sunlight? Will it stand erasing when a blot mars its surface? How does it compare in tearing and stretching strength with similar papers?

You must find the answers yourself. The truth is that the average horse trade is respectable compared with the selling of a complex manufactured product which has not been standardized.

Why is it that the suitability of an electric lamp for a given purpose can be determined from a mere inspection of its label, whereas the watermark of a writing paper conveys only the information that it is a so-called "Bond" of some kind? The answer is to be found in standardization. Chemists and physicists have set up standards for the purchase of materials in many industries, standards for the control of manufacturing processes, and standards by which the finished product is judged. There are few corresponding standards as yet in the paper industry.

The steel industry, the powder industry, the photographic materials industry, the cement industry, the lumber industry, the paint industry, the telephone industry, all these and dozens of others have standards which have been set up by research—standards which have dispelled the suspicion that inevitably rears its head when neither buyer nor seller is quite sure of a product's quality.



A photograph of what appears on the microscope slide identifies the wood of which the pulp was made; reveals the average length of the fibre; shows the degree to which the pulp was bleached, and affords opportunity to study pulps produced under different mechanical and cooking conditions

But the paper industry still adheres to industrial and commercial practices that are fast becoming obsolete. How can you label a product honestly, how can you indicate for what purpose it is best fitted, how can you guarantee its performance, unless you are sure of it yourself? And how can you be sure of your product unless you see to it that the raw materials from which it is made are of a certain quality, that it is made under controlled manufacturing conditions, and that it is tested at every stage of the manufacturing process for defects? Standardization of raw materials, control of manufacturing processes, testing for quality—all these mean industrial research

The paper industry has been developed in modern times chiefly by chemists. Paper-making is in reality a chemical industry; but it is hard to make the practical, hard-headed papermaker realize this. Somehow, when raw material is dealt with by the ton and the vatful the manufacturer generally loses contact with the laboratory—the brains, the fountainhead of his industry.

Now the paper industry needs laboratory guidance as much as any other—needs it not only to exercise scientific control over manufacturing processes, but to reform some senseless trade practices that govern the buying and selling of its product. When I became a paper manufacturer and realized that, unlike the lumber industry, the paint industry, the pig iron industry, the machinery industry, the naval stores industry, and others with which I have been connected, my industry had conducted research only spasmodically and had no scientific control, I decided to establish at Holyoke, Massachusetts, a laboratory which would be second to none in its ideals, its personnel, and its appointments.

The purpose of science is to predict. That applies to factory science as well as to university science. Mix a given number of raw materials together in measured amounts and in a certain order and what will be the result? The answer must always be the same. Without facts on which predictions can be based, a manufacturing industry is little better than speculative enterprise. It is the purpose of scientific research to substitute certainty for guessing.

BUT how can the finished products always be the same unless the raw materials remain the same? Clearly the first step is to set up standards by which the suitability and the uniformity of the materials may be judged. The raw materials of a writing paper mill are cellulose (rags and wood pulp), alkalis, bleaching agents, sizing agents, fillers and dyes. Before any of these are purchased and supplied to the

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mill, they should be chemically and physically tested.

Take the scientific examination of cellulose, for example. Cellulose is the fibrous substance of the cell wall, the stuff of which all vegetation is built up. A tree or a bale of rags must be literally torn into its individual fibres to produce cellulose. But the cellulose may or may not be suited for the making of a certain kind of paper. The first step, then, must be the determination of the cellulose value of the raw stock. Here is a carload of rags—a heterogeneous mass of discarded cotton and linen, dirty, greasy, dyed all the colors of the rainbow. Suppose that this carload of rags is shredded into its individual fibres, what will be the quality of the resultant piece of paper? Must we actually make paper in order to find out? Sometimes. But at Holyoke the experiment is conducted not on a wholesale scale in the mill itself, with all the expense and risk that the proceeding implies, but in the laboratory. The chemist and the physicist can determine by comparatively simple analyses and by making paper on a small scale what preliminary treatment the stock must undergo in order to produce a satisfactory product. And so it is with the dozens of materials that must be used at various stages of the manufacturing process—the alkalis, the bleaching agents, the dyes, the fillers, the acids, and the sizing agents. In a word, the laboratory sees to it that standardized raw material is furnished to the mill.

THE making of a sheet of paper involves a process of breaking down and a process of building up. In the first place, a piece of vegetation—wood, grass, or rags—must be torn apart until it is reduced to the individual fibres of which it is composed; and in the second place, these disintegrated fibres must be reconstructed into an entirely new fabric, a sheet of paper.

The disintegration of cotton or linen rags into their individual fibres is both a mechanical and a chemical process. Mechanics plays its part in dusting rags and in shredding them; mechanics and chemistry in washing them and in reducing them to a pulp. The dusting and cutting of the rags into pieces of the proper size is mechanically simple enough. So the washing and pulping of the rags would also seem to be. And yet how bewilderingly many are the problems for investigation that the laboratory here finds.

The dusted and finely-cut rags are cooked in a boiler, much as soiled linen is boiled by a housewife on Monday morning. In both cases mild alkalis are used. "No chance for the research laboratory here," you say at once. Yet when one of our mills complained that it could not cook a shipment of rags with lime only, who was to help it in its extremity but the research laboratory? "Add soda ash," was the prescription. The amount was specified, together with the temperature to be maintained, the period of heating, and the pressure.

BUT this was a problem of elementary importance. The whole process of cooking has not changed in principle in decades. Isn't such stagnation in itself evidence of the need of industrial research? Chemical research has still to explain the principle underlying the exact relation of the time of cooking to the steam pressure and to the amount of alkali utilized; and that problem the Holyoke Laboratories will surely solve.

The cooked rags are washed in order to flush out the dirt that has been loosened by chemical action. In a machine called a "washer," this process is thoroughly carried out, and at the same time the rags are partly disintegrated. Thus cleaned, they must be bleached; for the paper-maker must start with a pure white pulp. The agent most commonly used is chloride of lime, "bleaching powder." Electrolyzed common salt, which gives up chlorine (the gas originally employed in chemical warfare), also answers the purpose.

Are there no other agents? None that have proved worth using yet. But who knows what the research laboratory may reveal? Even if we must adhere to the existing bleaching agents, the conditions under which they perform their functions surely need scientific study. For instance, the quality of the water in which the crude pulp is washed influences the bleaching process, especially if the water contains lime. Too much bleaching weakens the fibres. At exactly what point should the bleaching be arrested? How can that point be determined?

The bleached rags, called "half stuff," pass through a "beating engine" in which the stock is



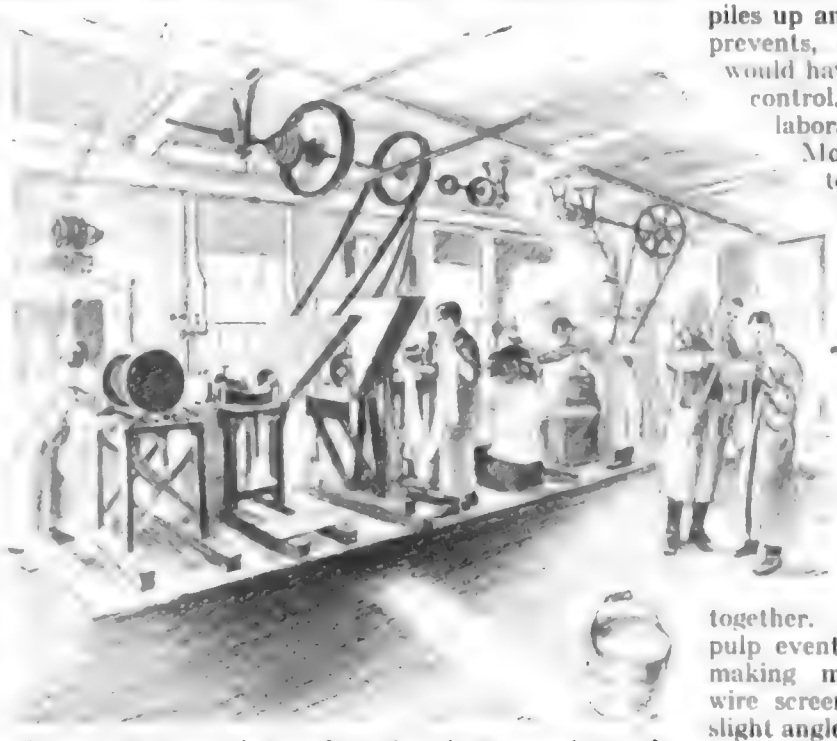
Where the paper undergoes physical tests. The machine with an arm resembling the segment of a circle measures the tensile strength of paper, the scale showing just what force is required to break the sample. Another machine folds a paper back and forth until it breaks. The number of folds is registered automatically

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finally reduced to its individual fibres. Not for centuries has the machine been changed in principle. It is so simple—a bladed roll revolving in a trough on a bladed bedplate—that it may not be susceptible to much improvement. On the other hand, the conditions under which pulp is made in the beater never have been so exactly determined that they could be systematically reproduced.

Beating is probably the most important step in the entire paper-making process. The character of the water that is used, the nature of the chemicals that are added, the time in which a process is completed, the degree of heat maintained, and the pressure applied—these determine the quality and nature of the finished product.

Yet in most paper mills this most important step of beating is not scientifically controlled. A beaterman decides in the light of his own judgment and experience what shall and what shall not be done. When for some unknown reason the stock in the beater does not respond, the beaterman usually throws in alum. "That sometimes helps," he thinks; "perhaps it will help this time." He ought to know what is wrong; he merely guesses. Scientific control alone can help him. The laboratory at Holyoke has scientifically demonstrated that entirely too much alum is employed in the paper mill. It saves annually in alum alone.



This picture illustrates the second stage in making a new or improved paper. Small hand sheets are produced by a miniature paper mill, whose digesters, washers, beaters and vats perform their work under the eyes of science. Thus the next step to the larger machines can be taken with a minimum of uncertainty

INTIMATELY connected with this subject of beating is the problem of sizing. In order to prevent ink from running on a sheet of writing paper, sizing must be used. The fibres are waterproofed by the sizing, so that the ink cannot readily be absorbed. Blotting paper, for instance, the direct opposite of writing paper, is made without sizing. Emulsions of rosin soap are generally employed in sizing paper. The whole subject of emulsifying rosin has been a matter of controversy for years in the paper industry. It is so no longer, as our laboratory solved the question a few months ago.

I shall not soon forget the aid that the research laboratory gave us when we were about to introduce a German process for sizing. It was a process that had been invented by a leading paper technologist; it had been tested, approved and adopted by practical paper-makers. Here, at last, it seemed, was the method of sizing paper for which we had all been waiting. All the troubles that marked the sizing of paper were to end. A sixty-thousand-dollar royalty contract was about to be signed with the owner of the patent. A princely sum was about to be spent to install new sizing machinery—a fortune—and yet not too great a sum when the losses and the wastes that attend the sizing of paper were considered. My pen was almost in the inkwell when the director of the research laboratory insisted on seeing me at once.

"Don't sign the contract for the German process," he warned me. "We are not satisfied in the research laboratory that the patentee has discovered anything of importance, or even that the principle on which his process is based is correct."

Despite all the assurances I had received from the best informed men in the mill, I decided to wait for the research laboratory's final report. It was not long in coming. The German patentee had an absolutely wrong conception of the chemistry and the physics of sizing and rosin emulsification. All the results he claimed for his process could be attained without the installation of expensive special machinery, merely by scientifically controlling the preparation of the size. American science, given an industrial chance, proved itself a better guide than incorrect German theory. Patent after patent was thus studied by the laboratory. Nearly every patented size emulsification process introduced in the paper industry proved to be scientifically unsound.

A tremendous sum of dollars saved! Who can wonder that my faith in the research laboratory was strengthened? If research could be credited in dollars and cents for both the riches that it piles up and the costly wastes that it prevents, every factory in the land would have its laboratory of technical control. In rosin alone the research laboratory saves us huge sums. More difficult to express in terms of money is the finer quality of the finished paper that we owe to these rosin investigations. But most valuable of all is the fact that knowledge has taken the place of opinion.

Beating concludes the disintegrating of the original raw material. The paper-maker has his fibres in the condition in which he wants them. Now comes the building-up process. The fibres must be matted or felted together. From the beater, then, the pulp eventually passes to the paper-making machine. It runs over a wire screen by gravity at a certain slight angle. The water drains through the meshes of the screen, leaving the fibres on the wire. To assist the operation of felting, the screen is shaken. The change that takes place is miraculous. Milky-white pulp flows down from the high end of the screen; an embryo web of paper moves away at the lower end. The wet web passes around a series of rolls, some of them internally heated, by which it is dried and calendered.

SO PURELY automatic is the operation of the paper-making machine that it seems as if here there are no opportunities for research. Yet the personal equation plays an enormous part in the manufacture of the web. What regulates the weight of the paper? Nothing but the skill of the man in charge of the machine. And he has only experience to guide him. At what angle should the wire screen be pitched to achieve the best result with a given stock? What should be the character of the "shake" imparted to the wire? No two paper-makers give the same answers to these questions. What should be the rate of drainage? What is the effect of adding more or less

water to the pulp in the process of making the web? What is the best drying temperature? No practical man can enlighten us. The questions must be taken up one by one under scientific control in the research laboratory.

Let it not be supposed that the research laboratory does nothing but exercise scientific control of the paper-making process. That is not the way research makes revolutionary discoveries. Beyond substituting exactness for uncertainty, beyond preventing waste, little is to be expected of a laboratory limited to the immediate attainment of commercial results. The physicist and the chemist must have a free hand to conduct research in pure science.

That, at least, has been the experience in other industries. The successful making of thousands of coal tar dyes, sympathetic drugs, photographic developers, perfumes and flavoring extracts meant a profound, purely theoretical study of organic chemistry. In conducting the research that has given us the modern tungsten incandescent lamp, the laboratory chemists of a great electric manufacturing company concerned themselves with the very constitution of matter. There was no immediate prospect of any financial return, and yet the result was startling—the modern gas-filled tungsten lamp.

It is only the study of what is slightingly referred to as "theory" that leads to radically new discoveries. To a practical man a study of the pure chemistry of cellulose would mean little. Why should one try to arrive at a scientifically correct chemical formula for cellulose—the basic material of the paper industry? Yet such purely theoretical work must be done if the paper-making industry is to understand what it is doing.

Suppose, for example, that it should be possible to make cellulose artificially. The discovery probably would be of no direct manufacturing importance; vegetation is too plentiful, too cheap. But if you can build up cellulose in the laboratory, out of the carbon and hydrogen atoms of which it is composed, immediately much that is now dark becomes clear. Besides, every cellulose reaction has become the basis of an important industry. Witness the proportions of the explosives industry, the artificial leather industry, the artificial silk industry and the celluloid industry. Once the chemistry of cellulose is clear, the perplexing problems that now befog the cooking, washing and beating of paper stock will be clarified. In all probability new processes, cheaper processes, will give place to those that have been so long accepted.

From all this it follows that industrial research of the kind that is conducted at Holyoke, Massachusetts, serves three purposes:

1. It sets up standards for the purchase of material, the control of manufacturing processes, the maintenance of quality in the finished product, and the scientific classification of products.
2. It discovers and develops the possibilities of new materials, new processes and new products.
3. It carries on investigations in pure science which may have no

(Continued on page 31)

At Your Service



MANY stores operate bus lines to bring prospective customers from their homes direct to the stores without charge. The Alms & Doepke Company, of Cincinnati, has departed from this idea to the extent of charging a 5-cent fare on its busses and allowing passengers to get off at any street corner, or even at the door of a competitor. By issuing receipts for all fares, however, and accepting these receipts at face value in payment for goods, the store has attracted 95 per cent of the patrons of its busses.

The idea was conceived thirty years ago by Mr. Alms and put into operation as a means of attracting trade from the down-town district to the up-town district in which the Alms & Doepke store is situated. The vehicles employed were two-horse omnibuses, and the fare charged was 2 cents, as compared with the street railway's charge of 5 cents. Today the bus charge is 5 cents, as compared with the street railway's 7 cents.

During the rush seasons the company operates a fleet of four machines on an eight-minute schedule. With the coming of summer it changes to a ten-minute schedule and operates only three busses, holding one in reserve.

Most of the patrons of the busses are women. Some go into the store to make single 5-cent purchases solely to use the receipts, but they are comparatively few. Others keep the receipts for future use. One woman, in paying for a piece of merchandise, turned in forty-five receipts.

Women are not the only patrons, however. Business men usually ride in the busses to and from their club to avoid the delay of phoning and waiting for their own cars.

William A. Ruff, Jr., advertising manager for the Alms & Doepke Company, says the bus line pays for itself, so the good will it creates is a net gain.

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All Roads Lead to Robinson's

A System of Incoming Reports and Outgoing Letters Brings Trade to This Store From Fifty Miles Around

By WILLIAM C. SPROULL

LESS THAN a year ago D. W. Robinson, proprietor of a department store in Alma, Michigan, sat studying his daily recapitulation sheet. His business, which a few years before had amounted to $40,000 annually, amounted in 1918 to $131,000. In the first four months of 1919 indications pointed to a business of $150,000 for the year.

If Robinson had been an ordinary merchant he could have settled back in his swivel chair, stuck his thumbs in his vest and watched the smoke from his dream-pipe spell the word "success" as it drifted upward. He might have been tempted to say, "I've got the world by the tail with a downhill pull."

Robinson leaned the other direction—toward his desk. For some little time he delved into records, books and bindings and jotted down a few figures on his pad. Then he leaned back in his chair—but not with an air of contentment. He studied deeply the figures on his pad:

Average annual business, 1910 to 1916	$40,000
Gross business, 1916	78,000
Gross business, 1917	110,000
Gross business, 1918	131,000
Estimate for 1919	150,000

Although pleased to a certain extent with the figures on his growing business, Robinson was more concerned in analyzing them. In 1916 his business had grown 95 per cent; in 1917 it had grown 40 per cent; in 1918, only 20 per cent; and four months' figures indicated a 14 per cent increase for 1919.

Looking at the situation clearly, Robinson saw that either he was reaching the limit of expansion or somewhere a belt was slipping—his machine was not producing maximum results.

It took little delving into his business methods for Robinson to find the slipping belt. He was offering good merchandise; his prices were right; he was keeping his customers. But what was he doing to get new customers? Apparently he had been waiting until they entered the door.

His first thought was to advertise more. He never had doubted the value of advertising. But in looking over the opportunities for advertising he was not content with what he saw. The circulation of the local weekly paper was not large, and weekly papers of much larger circulation in Mt. Pleasant and Ithaca, the county seats of Isabella and Gratiot counties, refused to accept advertisements from merchants of neighboring towns. So Robinson was without a medium for reaching prospective customers. He had a message to put before the people of that community and the only way to circulate that message was to take it direct to the people. In other words, direct mail advertising.

What area should he cover in a direct mail campaign?

On the north, Cadillac, eighty miles away, was the nearest city drawing trade from that territory; on the west, Grand Rapids, 78 miles away; Lansing on the south, 60 miles; and Saginaw on the east, 40 miles. Mr. Robinson looked upon every resident in territory bounded by the limits of those cities as a prospective customer. He believed that if they knew what he had to offer in dry goods, cloaks, suits and carpets they would willingly come fifty or sixty miles in autos to his store.

Then came the problem of compiling a good mailing list.

While he was still studying this problem Mr. Robinson went to Chicago. At a convention he heard of Garver Brothers, Strasburg, Ohio, who employ reporters to send in information about residents in their communities. The idea sounded practical to Mr. Robinson and with the assistance of F. A. Slater, advertising manager, he studied his territory, laid out zones, prepared forms and employed representatives to submit reports.

To start his mailing list Mr. Robinson offered five cents for each family name card turned in by his reporters. On each card appears the name, address and occupation of Mr. and Mrs. Resident, the names and ages of their children and information as to whether the family owns or rents property or owns an automobile. He asked reporters to use their own judgment in filling out the lower part of the card showing whether the resident buys a large, medium or small amount of merchandise yearly, whether he buys a fine, medium or cheap grade of merchandise and whether he buys a large or small amount from mail order houses.

This request for names brought in approximately 15,000 cards. Thus his one store has at the finger tips of its salespeople information about 60,000 persons, many of whom are already customers and the others prospective customers. Such a list of 15,000 families requires adequate subdivision to avoid waste and permit sending of special notices to certain classes. After a few experiments the list was divided into the following classifications:

Buyers of fine merchandise
Buyers of medium grade merchandise
Buyers of cheap merchandise
Buyers of large amounts
Buyers of medium amounts
Buyers of small amounts
Mail order house customers
Property owners
Renters
Automobile owners
Young women
Girls, 5 to 15 years
Children, 1 to 5 years
Boys, 5 to 15 years
Infants, 1 month to 1 year

Filing name-plates in cabinets labeled

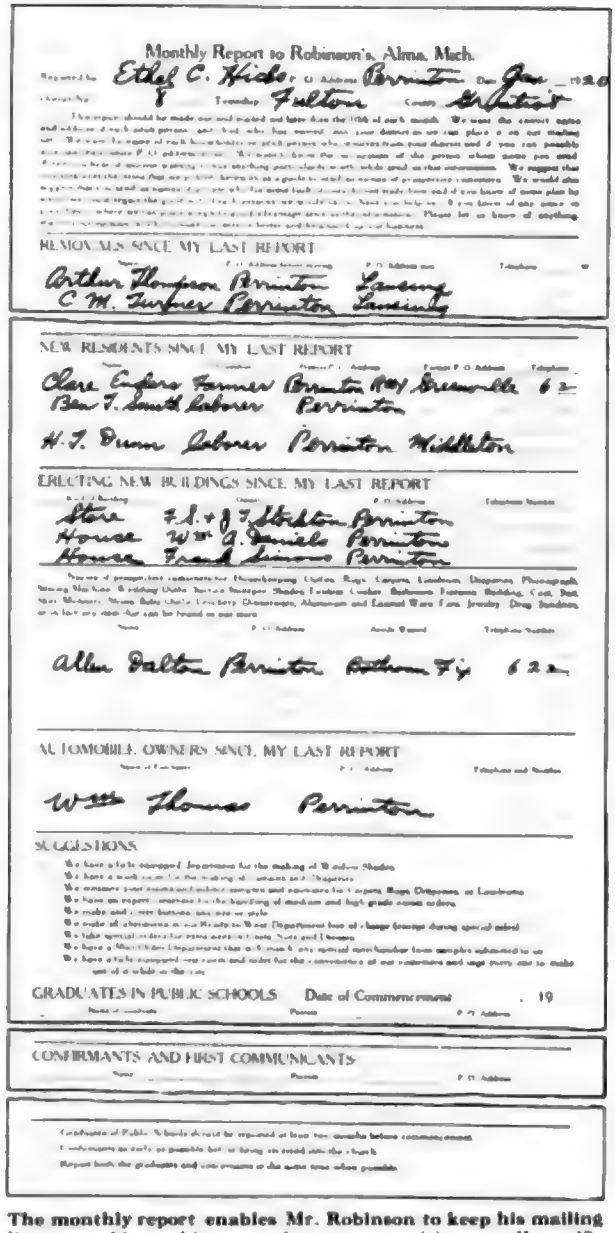
NAME Daniel S. Murdock WIFE Hazel L.
Address St. Louis, Mich Street. R.F.D.
Children's Names and Ages.
Name Wilma Age 8 Name Age
Name Charles Age 14 Name Age
Name Harry Age 12 Name Age
Name Merlin Age 9 Name Age
Property Owners Yes Renters
Occupation Painter - Republican Auto Owners? No
REMARKS:
Will buy()fine(✓)medium or()cheap merchandise.
Will use()small()medium or(✓)large amount in year.
Buys()large or(✓)small amount from Mail Order houses.
(Put cross before word that applies to each case)

One of the 15,000 cards that compose the mailing list

according to localities, town and country, really adds two more classifications to the list. In each case the name-plate bears the name of Mrs. Resident, for she is the one who is interested primarily in the merchandise offered by Robinson's. Letters carry two-cent postage; circulars and papers, one-cent.

"Buyers of fine merchandise" receive arrival notices of fine linens, draperies or rugs, and automobile owners receive notice of special sales of auto robes, coats, and kindred merchandise. Talks on clothes for small children are addressed only to mothers. If a special line can be advantageously advertised in the face of mail order competition, the patrons of mail order houses receive a letter advertising that line. Customers who do not ordinarily turn the pages of mail order catalogs are not asked to compare prices.

In planning a special sale to start on January 2, Mr. Robinson discarded the old idea of tossing handbills all over that part of Michigan. He sent to all persons on the list outside of Alma letters asking them to watch for an announcement of a big sale that would start January 2, at Robinson's. He timed this letter to arrive on Thursday or Friday of the week previous to the sale, in order that it would check buying in other cities on Saturday of that week. It also added emphasis to the later announcement. The residents of Alma received letters a few days before the sale, in time to win readers of the big announcement, but not early enough to slow up business in anticipation of the approaching sale.


Monthly Report to Robinson's, Alma, Mich.

REMOVALS SINCE MY LAST REPORT

NEW RESIDENTS SINCE MY LAST REPORT

ERECTING NEW BUILDINGS SINCE MY LAST REPORT

AUTOMOBILE OWNERS SINCE MY LAST REPORT

SUGGESTIONS

GRADUATES IN PUBLIC SCHOOLS Date of Commencement . 19

CONFIRMANTS AND FIRST COMMUNICANTS

The monthly report enables Mr. Robinson to keep his mailing list up, and keeps him posted on opportunities to sell specific commodities. If Allen Dalton is in the market for bathroom fixtures or Mrs. Jones for a washing machine, the fact quickly comes to Mr. Robinson's knowledge

Hundreds crowded into the store on the opening day of the sale. More than one farmer who lived twenty to fifty miles from Alma told the salesmen they had put off buying in Mt. Pleasant or Greenville the Saturday before so they could see what Robinson had to offer.

Every family on the list receives monthly a four-page newspaper, "Robinson's Store Messenger," which contains general news as well as educational announcements from the store. In a front page article Mr. Robinson recently discouraged overbuying and advised careful buying even of those things actually needed. Customers, almost by hundreds, expressed surprise and appreciation of the spirit that prompted such advice. Mr Robinson no longer doubts whether his customers are reading the paper.

A few minutes before closing time one evening a farmer and his wife and small daughter came into the store to ask for a child's coat. They bought the coat and other merchandise amounting to $80. Mr. Slater became interested in the family and asked the name and address for his files. He also asked how they happened to drive twenty-six miles to Alma to trade at Robinson's.

"We had always traded over at Greenville and had never even heard of your store until two o'clock this afternoon, when the mail man brought us that little paper of yours. We decided that if you wanted our business enough to send word to us, we would come in. The girl needed a coat right away, so we came this afternoon."

Information about every resident in the community serves another important purpose. When Mrs. Stevens of Mt. Pleasant, visiting the store for the first time, orders a $75 suit and asks to have it charged, the salesperson can tell in a minute whether he should open the account. Mrs. Stevens is delighted to think she can be trusted in a strange town and tells her friends.

Contrary to the advice of merchants who advocate strictly cash business, Mr. Robinson makes a strong bid for charge accounts. At present fully 50 per cent of his business is on a credit basis, yet he loses little on bad accounts.

Last fall, when the schools opened, Mr. Robinson sent letters to the school commissioners asking for the names of all teachers in their districts. When he received this list he wrote a form letter to the teachers congratulating them upon their choice of profession and choice of locality. But he did not close by merely asking them "to trade at our store when in Alma." He won their attention by facing squarely the problem before many of the teachers at that time.

"After a long vacation it is quite likely that your bank account is low and you need some new fall clothes. We will be glad to have you open an account with us for anything you need at the present time. We have taken the privilege to write your name on a page of our ledger and we shall be glad to have you make use of it."

The letter reached the school teachers on Thursday. The following Saturday school teachers alone ordered a little more than $1000 worth of merchandise at Robinson's. Mr. Robinson looks upon the accounts of school teachers as gilt-edged and so far he has had no occasion for regret.

So completely has Mr. Robinson covered the territory that within thirty days he knows the name, address, occupation and telephone number of any person moving into or out of that area; the names of persons erecting buildings; purchasers of automobiles and the names of persons who for one reason or another are prospective customers for a particular article in Robinson's store. Monthly reports by regular reporters convey this information. For these monthly reports the store formerly paid the reporters 50 cents. Under a new plan the store pays 2 per cent of the new business resulting from the report.

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Dept.	Amt.
A	34.41
B	59.47
C	17.52
Da	4.09
Db	66.92
Dc	60.
E	362.74
F	13.23
G	15.07
H	38.
I	63.96
J	2.76
K	13.63
L	30.53
M	30.25
N	57.41
O	16.66
P	10.64
Qa	62.34
Qb	16.79
Qc	11.58
Ra	220.45
Rb	160.10
Rc	59.03
Rd	20.18
Re	74.07
Rf	28.68
S	50.35
T	15.83
Ua	61.28
Ub	22.50
W	1.48
Whol	5.82
Alt	1.00
Total Sales	1708.77

Sales
Saturday Jan. 10 th.

Sales for Jan. to date $9622.39
Sales for Jan. last year 4745.95
Gain $4876.44

Sales to day $1708.77
Sales year ago today 1377.17
Gain $ 331.60

1st. in Sales Dry Goods — Miss Hicks
1st. in Sales Ready-to-wear — Miss Albertson
1st. in Sales Rugs — Miss Campbell
1st. in Sales Shoes — Miss Loun
1st. in Sales Basement — Miss B. Strong

No. of Clerks	Sales
1	26.61
2	43.76
3	317.14
4	22.03
5	sick
6	192.67
7	95.59
9	35.94
10	52.25
11	183.81
12	80.20
13	39.16
14	61.69
15	258.05
16	57.20
17	88.85
18	21.48
19	24.12
20	19.44
24	41.41
26	9.16
32	13.53
W	9.16
Alt.	1.00
21	8.95
25	5.55
	1708.77

Furthermore, the reporters write or telephone special reports of deaths, births, fires, weddings, or other information they think Robinson's should have at once. Under the initial plan Mr. Robinson allowed 25 cents for each special report, but the recent change to a percentage basis includes special reports, because many reporters were found to be withholding information from regular reports in order to make special reports. Now if the reporter at Perrinton hears that Mrs. Jones is thinking of buying a washing machine, she can pass the information to Mr. Robinson. If a $175 sale results, the reporter receives $3.50 for her trouble.

Mr. Elgin, who lives about seven miles out of Alma, was reported to have purchased a new home. The next day Mrs. Elgin received a personal letter from Mr. Robinson reminding her that the new house would need special furnishings such as rugs, draperies, curtains and bath-room fixtures and that Robinson's could supply her with the best in these lines. This is how he closed the letter:

"Incidentally may we suggest that we never have had the pleasure of a charge account with you, and in view of the changes you are making would not this be an opportune time to allow us to enter your name on our books? We shall be more than pleased to number you among our regular accounts."

Mr. Robinson has in his employ a salesman, Edwin Campbell, whom he terms a "100 per cent salesman" and who, according to Mr. Robinson, "eats that stuff up." A recent special report informed Mr. Robinson that a couple had been married in Mt. Pleasant and that they were locating in that town. A glance at the card index gave further information about the man and woman. The next morning Mr. Campbell jumped in his auto and before noon he had sold more than $200 worth of household merchandise. He helped the young couple plan the house, measure for rugs, select draperies and other furnishings.

It is not possible in all cases to send a special salesman to call upon newly-weds. But in all cases Mr. Robinson sends a congratulatory letter reminding them that they need only to say the word and the salesman will call.

Letters of sympathy, containing no reference to advertising, are sent in case of a death in a family named in the list. When births are reported, "peppy" letters of congratulations accompany a little booklet entitled "Our Baby's Own Book." These letters never fail to bring favorable comment and often direct results.

The reporters do not furnish all the names on the list. Salesmen diplomatically obtain names and addresses of new customers. These names find their way to the mailing list and by letter next day Mr. Slater thanks the new customer for his business and asks that the customer make the store his shopping headquarters. Reporters often overhear remarks at parties or picture shows. For example, one evening one woman told another that Mrs. Smith was going to send to a mail order house for a vacuum cleaner. Before noon the next day Mr. Campbell had cranked up his little car and was on his way to the home of Mrs. Smith. He got the order. Furthermore, he won friends for the store, for Mrs. Smith proudly told her neighbors that Robinson's had sent a salesman thirty-five miles to get her order.

In the store Mr. Slater spends almost his entire time on direct mail advertising. He plans campaigns, writes letters, checks over reports and sees that files are kept up to the minute. One girl helps him on this work regularly, and on special occasions as many as twelve high school girls are brought in to fold and mail letters and papers.

Within the store Mr. Robinson has developed a selling organization that can care for all business the advertising brings. He employs thirty salesmen and saleswomen, paying the new employees a regular salary and the others a salary and commission.

Not only are the books of the store open to the salesmen, but the essential figures are posted where the public as well as the salesmen may see. As Mr. Robinson keeps accurate records on every item of his business he can post each day figures showing sales by departments, by salesmen, totals of the day before, total sales of the year to date, and comparison by day and week with the corresponding periods of the year before. These figures, copied from the recapitulation sheet, are posted each morning.

At the end of each week each salesman receives a small card showing his sales for each day of the week and also his sales for corresponding days the year before. These reports encourage competition and serve as reminders to employees that by working a little harder they may increase their commissions.

Sales for the first ten days of 1920 totaled $9,622.39, as compared with $4,745.95 for the first ten days of 1919, and Mr. Robinson expects this year's business to total $300,000.

Name Norton No. 17
Week Ending Jan 10 1920

	Today		Same day last year	
Monday	37	87	23	16
Tuesday	41	22	25	12
Wed.	54	45	30	12
Thurs.	52	61	32	44
Friday	61	82	37	20
Sat.	88	85	41	58
Total	346	82	198	32

Each salesperson receives a card on which is recorded his day-by-day sales for the week and for the corresponding week of the previous year. Above—This bulletin containing records of sales by salespeople and by departments is posted in a conspicuous place for both public and salespeople to see

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Capitalists Behind the Counter

Salesmen in an Akron Clothing Store Own Stock, Sharing the Prospects and Risks of Management

By RALPH M. STEELE

GIVING a bonus to an employee is only an ingenious device for stirring up trouble and discontent within the store."

The speaker was I. S. Myers, of the I. S. Myers Company, of Akron, Ohio. I looked at him in surprise.

"But that plan of rewarding employees has been adopted by a lot of merchants," I protested. "Can it be that they are all wrong?"

"Handing a gift of money or shares to an employee is always a bad thing," Mr. Myers replied. "But there is one thing which I always give, not only to my employees but to every other person with whom I deal. That thing is a chance.

"If you give the employee a chance to earn something—a chance to share in the business, share the loss as well as the profit—you will build up an organization whose results will quickly surprise you."



"If he is in the business and knows that a loss will compel him to dig down and pull out good hard cash, he is going to see that the business doesn't show a loss."

Fifteen years ago Mr. Myers had a small clothing store in Akron and was doing a fair business at an average cost. He reasoned that it was foolish to expect a clothing salesman to come into the store, work long hours and even overtime to help build up an efficient organization when he would get only a modest salary whether he worked hard or not. He decided that the way to build up the kind of organization he wanted was to get the employees thoroughly interested in the business, and that the way to accomplish this end was to place upon their shoulders some of the burden of management.

If the employees were to share in the management it was only right that they should share in the rewards of good management, and share the risk of loss from bad management.

As evidence of the soundness of his plan, Mr. Myers can point to the fact that the I. S. Myers Company operates one of Akron's largest stores dealing in men's clothing and furnishings, and also a branch store in East Akron.

Mr. Myers put his plan into operation by selling stock in the company to his employees. He still retains 55 per cent of the stock, the remaining 45 per cent being owned by fifteen employees. The increased efficiency, Mr. Myers says, has reduced the cost of doing business at least one-third.

Of course the employees draw wages. Everything is managed as if the stock were held by persons outside the store. But with the employees watching every corner to see where their profits are going, the little leaks have disappeared.

MEANWHILE Mr. Myers, now mayor of the city, can look after the city's business or his thriving real estate business with assurance that his store is managed as well as if he were there. The whole management of the store, in fact, is now in the hands of the employees. Although Mr. Myers has watched over the policies and general welfare of the store for fifteen years, he has yet to exercise the authority that goes with his controlling interest.

"Giving a bonus, as I have said, is a bad practice," Mr. Myers repeated. "If at the end of the month you hand a man a check for $36.29 and tell him it is a bonus which represents his share of the profits, he is undoubtedly glad to get the money. He feels that he has worked hard enough to earn a good bonus. For the next month he decides to work a little bit harder and increase his bonus to $50. But it may happen that profits for the month are small and the bonus is cut down to $21.18. He sees no reason for the reduction, for he has not the employer's viewpoint. Without putting extra effort into his work he may get a larger bonus the third month. You have only stirred up distrust, rather than enthusiasm.

"My point is that to make a system like that work you have to give him a chance to get into the business where he will learn something about management and see the business from your viewpoint while retaining his own. This will help him to realize that the difference between the cost and the selling price is not all profit. If he is in the business and knows that a loss will compel him to dig down and pull out good hard cash, you don't need to worry; he is going to see that the business doesn't show a loss.

"The men in our store are learning to be managers. They are all getting good salaries and they are getting a good return on the money they have invested in stock. While they are making money for me they are making it for themselves. If I suffer a loss they, too, will suffer it. A simple plan, but very effective."

The man who starts to work in the Myers store is not required to buy stock, nor is stock offered to him. After he has worked six months, a year or two years, and has convinced the directors that he is worthy to be taken into the firm, he receives an opportunity to buy stock. Lack of

(Continued on page 34)

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Laughing Gas With Every Bill

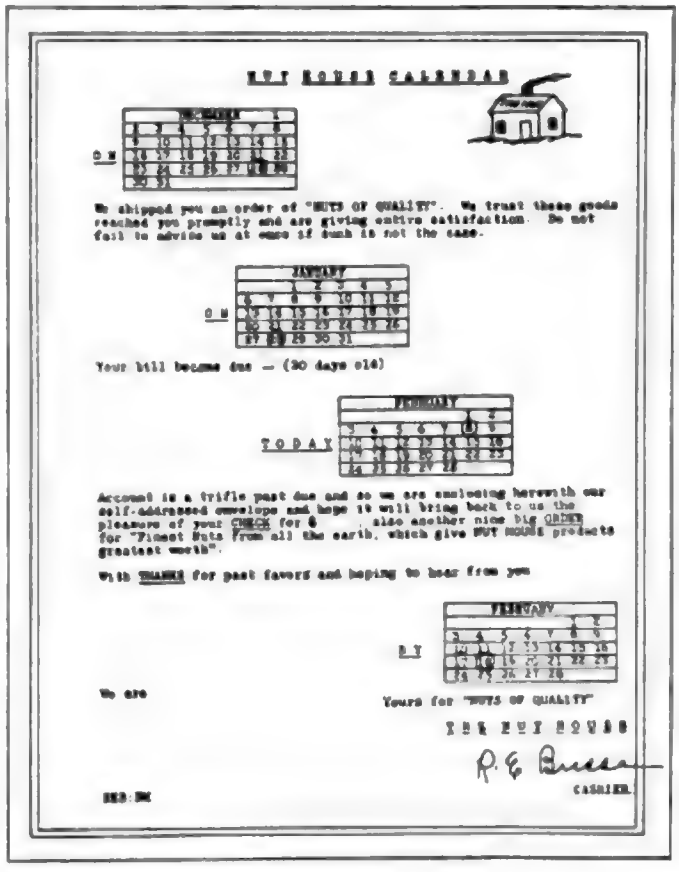
Here's a Business Whose Collection Letters Make Debtors Pay Up and Smile While They're Doing It

By J. W. SAYRE

OUT HERE in Seattle we have a man who calls himself the Chief Nut, and who, by capitalizing the unusual in business procedure, has built up a fortune. It would be just like him to toss off the secret of perpetual motion in his first idle moment, for in the last year or so he has performed the almost equally impossible feat of virtually abolishing bad debts in a business of a million dollars a year.

The Chief Nut, so called by himself and everyone else except his mother, who refers to him as Anton Delkin, can take a bad debt and make it disappear without the aid of confederates or a cabinet, in full view of the audience, with his sleeves rolled up so as to afford no possible concealment, and with the committee watching him closely.

Even as the highwayman who at heart is a gentleman first wraps his section of lead pipe up in a gunny sack before using it, so does the Chief Nut use the stuffed club of human kindness on those from whom he has money coming; gives them laughing gas by mail, so to speak. And the usual result is that the debtor not only comes in with the money, but thanks the Chief Nut for accepting it and presses upon him another and larger order.



Knowing how to bring in overdue money with scarcely a miss, week after week, is not a bad accomplishment in itself, but knowing how to build a single letter that not only collects a debt but makes a friend of the debtor and creates new business, is right up in the class with writing a peace treaty or enforcing a dry law. It's a gift.

Mr. Delkin gives most of the credit for his novel collection system to his capable secretary, treasurer and office manager, Miss Ruby E. Busse, who tried out the present line of collection thought eight years ago and who has gradually brought it to its present state of effectiveness.

Miss Busse noticed that the usual curt "come-on-with-that-money-you-owe-us" letter just as often as not failed to bring results, and even when it did it not infrequently lost customers who disliked to be "dunned," even though the fault were their own. So she planned a new sort of epistle, one that would suggest, instead of asking outright, the payment of a bill; one that would recognize that folks are human; that you can get money out of almost anyone if you go about it in the right way and that would sort of "leave 'em laughing" when they had finished reading it.

THE idea was a winner from the start, and just at that time it developed the only weakness, from Miss Busse's viewpoint, that it ever has shown. The first letter was so effective that not a few out-of-town merchants, figuring that the follow-up letters would be just as unique, purposely held back their payments until they had obtained the full set from the Nut House, then paid their bills and calmly adapted the Nut House letters to use in their own collection departments. So Miss Busse has to change her letters entirely every three months or so just to keep ahead of her imitators.

One of her original first letters started off with a representation of the month of December, as found on any calendar. One of the days of the month was ringed. Then came this paragraph:

"On (date ringed) we shipped you an order of Nuts of Quality. We trust these goods reached you promptly and are giving entire satisfaction. Do not fail to advise us at once if such is not the case."

Note how Miss Busse sneaks up on that debt. Here's the whole first paragraph without any reference to it—nothing but solicitude for the welfare of the customer.

Next comes a calendar picture of January, also with a certain date ringed, then this single line: "On (date ringed) your bill became due (thirty days)." Third comes the month of February, with the date of the letter ringed, and this paragraph:

"Account is a trifle past due and so we are enclosing herewith our self-addressed envelope and hope it will bring back to us the pleasure of your check for $...., also another nice big order.... With thanks for past favors and hoping to hear from you by—" Then comes the calendar map of February again with another ringed date, and at the bottom the firm's signature.

Usually this letter worked. When it did not Miss Busse had this second diplomatic message ready:

"When the postman came this morning we thought sure he would bring us a check and an order from you, BUT—HE DIDN'T! The account in question is now past due. Will you kindly see that check for it is put in the mail right away? Anticipating your prompt compliance and thanking you for past favors," etc.

The third letter—one which seldom had to be written—took things more seriously, running as follows:

"About ten days ago we wrote you a little letter—SUGGESTING—that a check would be acceptable, but we're afraid you didn't take that courteous

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reminder very seriously, and so we are obliged to make this a real REQUEST for payment of an account which is now somewhat past due. Please do not allow this letter to remain unanswered, but write out that check right away while the matter is before you and send it on to us in the envelope enclosed. Then there will be no chance for a further oversight.

"Looking forward to receiving your check in settlement of your account by return mail and thanking you in advance for same, we are," etc.

One man paid up on receipt of this letter but could not refrain from underscoring the words "real REQUEST" and writing in the margin, "Some request."

MORE recent "first" letters have hit upon the scheme of inviting the debtor to come to Seattle and look over the plant—tickled to death to have him, and all that. Now neither Mr. Delkin nor Miss Busse have much hope—or better, perhaps, idea—that some groceryman down in Texas or importer at Yokohama is going to drop everything and accept that invitation; but, just the same, recipients of those letters have been known to do it, and it is characteristic of the thoroughness of the Nut House that it has a guide on hand at all times, ready to show anyone through who does happen to drop in.

A letter along the line indicated is as follows:

"Won't you turn the page a moment and meet that bunch of happy folks who belong to THE NUT HOUSE family? (referring to a cut of the plant and employees on the inside page). How do you like us? Now you did smile and call us nuts, didn't you?

"Well, just the same, we are all here to serve you with the highest quality of nuts and to render you prompt and efficient service.

"Do you see the CREDIT NUT in the crowd? Yes, he is looking straight at you, because—Gee whiz! You always know what he wants. That's right! Just a little check for $32.28. You'll send it right away, while you are thinking about it, won't you? THANKS.

"And then, if you could only see that SALES NUT'S sunny smile, you would surely fill in the enclosed order blank and send it in along with that check. Your orders are appreciated.

"Hoping you can pay us a really and truly visit sometime soon, and looking forward to hearing from you within the next few days, we are, yours for checks and orders," etc.

Observe that the first two paragraphs were devoted to just making the debtor feel good, the third was the sugar-coated "dun," the fourth was a bid for new business and the fifth a general good-fellow clincher. That this letter went straight to the mark is shown by the fact that it was returned—with the check—and this notation from the debtor: "Clever idea in a dun. Able to pay bill and enjoy a good smile about it."

Something effective in the way of another first letter carried a cartoon drawing of two chaps—Credit Nut and Sales Nut—fishing from a boat, one for a check and the other for an order. The letter was brief, but cannily to the point:

"In the sea of good business the Credit Nut and the Sales Nut are fishing. The Credit Nut is looking for a check; the Sales Nut wants another nice big order for Salted Nuts of Quality. We enclose the fish basket—our return envelope. Won't you fill it up and mail it back today?"

Another idea in first letters was a sheet with hand-drawn diagonal flashes of lightning, in connection with this paragraph:

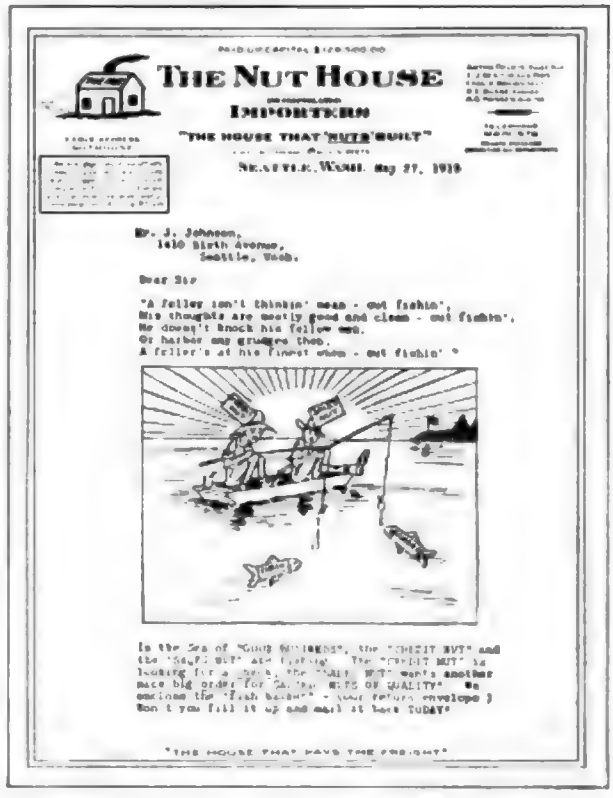
"The wireless from the CREDIT DEPARTMENT is sending forth to you today an S. O. S. call and hopes you will respond promptly by sending us a check to cover your account, which is now a trifle tardy."

Nothing delights Miss Busse more than to have the recipients of her letters come right back at her with as good as she sends. One time, after naively remarking in a letter that on the great clock of Time there's but one word, "NOW," she added: "Why not whirl around in your office chair and just while you are thinking about it write out a check for $10.30, and at the same time send us your order?"

And the recipient of that letter not only sent the check, but spent a whole morning laboriously drawing a picture of himself whirling around in his office chair, as she suggested. An Idaho merchant once sent some money and with it one of his letterheads, with a regulation musical staff and notes above these words: "And you can make every dream come true."

A Sacramento dealer returned the Nut House's first letter with this indorsement: "Your letter did the work. I'm one of the nuts." A North Dakotan chose to diagram his feelings more fully.

"Why is a nut?" he wrote. "This


THE NUT HOUSE
IMPORTERS
"THE HOUSE THAT 'NUTS' BUILT"
SEATTLE, WASH. May 27, 1919

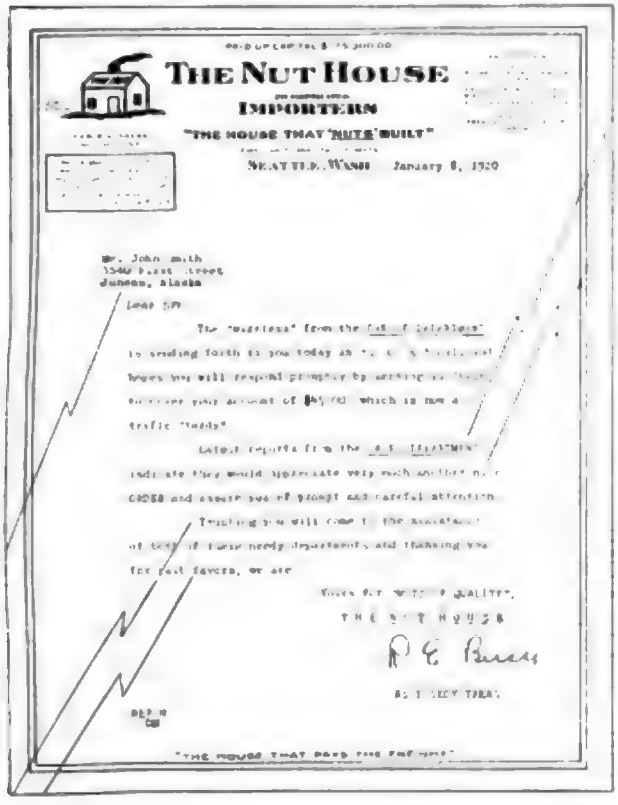
Mr. J. Johnson,
1610 Birth Avenue,
Seattle, Wash.

Dear Sir

"A feller isn't thinkin' mean - out fishin',
His thoughts are mostly good and clean - out fishin'.
He doesn't knock his fellow man,
Or harbor any grudges then,
A feller's at his finest when - out fishin' "

In the Sea of "Good Business", the "CREDIT NUT" and the "SALES NUT" are fishing. The "CREDIT NUT" is looking for a check, the "SALES NUT" wants another nice big order for Salted NUTS OF QUALITY". We enclose the "Fish basket" - your return envelope) Won't you fill it up and mail it back TODAY?

"THE HOUSE THAT PAYS THE DIVIDENDS"


THE NUT HOUSE
IMPORTERS
"THE HOUSE THAT 'NUTS' BUILT"
SEATTLE, WASH. January 8, 1920

Mr. John Smith
3340 First Street
Juneau, Alaska

Dear Sir

"THE HOUSE THAT PAYS THE DIVIDENDS"

(Continued on page 33)

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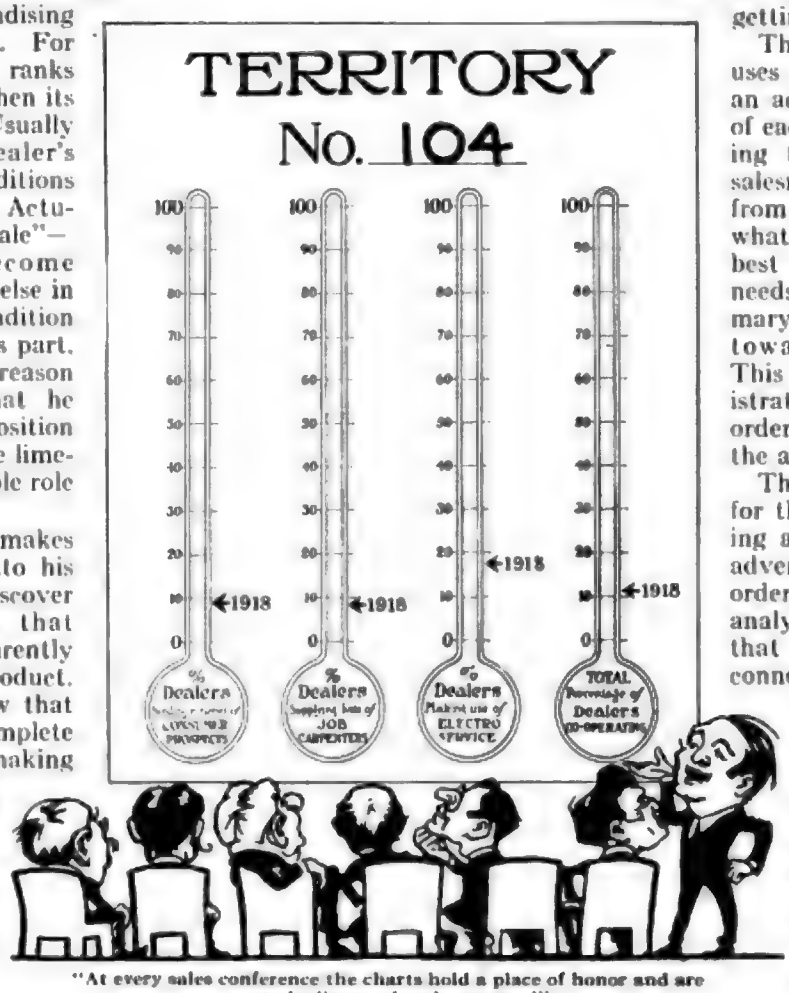
Feeling the Dealer's Pulse

Charts and Cards Keep the Beaver Board Companies and Their Salesmen Posted on Dealer Co-operation

By STANLEY P. IRVIN

FREQUENTLY a dealer introduces a new line into his stock and begins merchandising it with conspicuous success. For the first year or two it ranks among his best sellers. Then its sales begin to drop off. Usually an inspection of the dealer's store will reveal the conditions that prompted the slump. Actually he has simply "gone stale"—allowed himself to become engrossed with something else in his stock. Perhaps this condition is entirely unnoticed on his part, but at any rate, for some reason or another, the line that he formerly gave preferred position has been forced out of the limelight and into the unenviable role of an "also ran."

When a manufacturer makes an unprejudiced search into his sales records he will often discover the uncomfortable fact that dealer after dealer has apparently lost enthusiasm for his product. True, the data will show that the dealer does carry a complete stock. But the sales he is making indicate that he is keeping the goods in the background of his selling efforts. When he gets an actual call for the product he sells it, but on the whole he seems to be content simply to fill the orders that the manufacturer's advertising and prestige force into his hands. Consequently, if the manufacturer ever expects big business from this source again, it is up to him to revive the dealer's slumbering interest in his goods.



"At every sales conference the charts hold a place of honor and are eagerly discussed and compared"

Among manufacturers who have realized the necessity of holding dealer enthusiasm, and who have been especially active in reclaiming it where it has been lost, the Beaver Board Companies, manufacturers of Beaver Board for walls and ceilings, have been especially conspicuous. They have decided that having an indifferent dealer is nearly as bad as having no dealer at all, and they have developed original methods of making sure that their dealers will actively push their products.

Beaver Board is marketed largely through dealers in building material and, like many other things, forms only one item of a complete lumber stock. Nevertheless, Beaver Board national advertising has created a demand which makes Beaver Board an exceptionally profitable line and one for which the lumber dealer receives many calls.

Under these circumstances the Beaver Board Companies do not consider it much of an achievement simply to sell the dealer the original order of Beaver Board. They feel that the important feat is to get this merchant to push the stock that he puts in—to push it aggressively, and to get all the possible Beaver Board sales in his territory. As the Beaver Board executives size up the situation, about one-fifth of their sales efforts must be devoted to recruiting new dealers. The other four-fifths of their problem is concerned with making better dealers out of the dealers that they already have. Consequently, they are by no means contented with any haphazard method of making sure they are getting good dealer co-operation.

Their advertising department uses a system which gives them an accurate index to the amount of each dealer's activity in pushing their products. When the salesman obtains his first order from a new account, he notes what kinds of advertising are best adapted to that dealer's needs, and makes a concise summary of the dealer's attitude toward advertising generally. This form comes to the administration offices with the initial order and is promptly sent to the advertising department.

There a clerk fills out a card for this dealer, the card containing a space for entering all the advertising helps that the dealer orders. A correspondent then analyzes the advertising order that the salesman has sent in connection with his report, and writes the dealer a letter urging him to use the helps that are being sent to him. The clerk then files the card, with the outgoing material recorded in the proper columns.

In his first letter to the new dealer the correspondent opens an extended letter campaign. He writes, in all, ten carefully-worded form letters, each letter giving particulars about some one kind of advertising help, and presenting a convenient method for ordering a supply of this material. The result is that before the last of these ten letters has been sent the advertising department has a general line on this dealer's responsiveness to advertising suggestions. From the card record they know exactly the kind and amount of features that he has asked for, the replies he has made to their letters, the way he feels about their service—for the tenth letter in the series specifically asks the dealer if all is going well with his Beaver Board business.

This letter campaign comprises part of the activity of the advertising department direct to the dealer himself. The other phase of their direct work consists in frequent general mailing features offering new and seasonal

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helps, and generally advocating advertising to their active dealers. But they also devote some effort to their own selling force. As has been mentioned, each dealer's card is filed according to sales territory. Periodically, the advertising department compiles records and finds just how large a percentage of dealers in each territory is taking advantage of the advertising help.

THIS data is tabulated and presented to the sales force in graphic form. Last year a thermometer-shaped chart was used, filled in with colors to show the extent to which dealers were using each available help. A 100 per cent record, of course, would indicate that every dealer on the territory was using the material offered him. Thus the chart for Territory 104, for example, would indicate not only the percentage of dealers in that territory who were using newspaper electrotypes, folders, movie slides and other helps, but also the way that percentage compared with the percentage in 1918.

Since this chart goes regularly to the saleman covering Territory 104, he has constantly before him a concise summary of just what his dealers are doing to prove their interest in selling Beaver Board. He can see just what features are not being used, and devote special effort to putting the value of them before his trade. If his record is generally very poor, and the chart indicates that he has an unusually low percentage of interested co-operating dealers, the advertising department is able to look over the cards for his territory and tell him just what accounts in particular need his special attention.

The value of this chart scheme has proved itself repeatedly. When the plan was first originated under the guise of "pie charts"—diagrams made in the shape of pies—it was more or less of an experiment. But as the scheme was put into operation it began to bring some interesting things to light. It proved beyond a doubt that advertising and interested dealers were smashing all records for sales. It brought positive proof that the two factors were closely related, and that a long list of actively advertising and aggressive dealers was equivalent to an absolute assurance of an unusual volume of business.

Once the salesmen saw the meaning of dealer co-operation in actual figures they began to work for the 100 per cent mark in their territory. During the past year they have been more insistent than ever in dinning the value of advertising into their dealers' ears, and when, at the national sales convention, the chart record of their dealer interest for the year was exhibited, it registered an impressive gain over that of the year previous. Strangely enough, some of the most conservative dealers, once converted to advertising, became its most enthusiastic sponsors. Not content with using the long lists of regular helps offered them, they are constantly originating additional ideas, and the advertising department is besieged with requests for suggestions on nearly every imaginable kind of stunt—from banquet favors to forty-foot display signs.

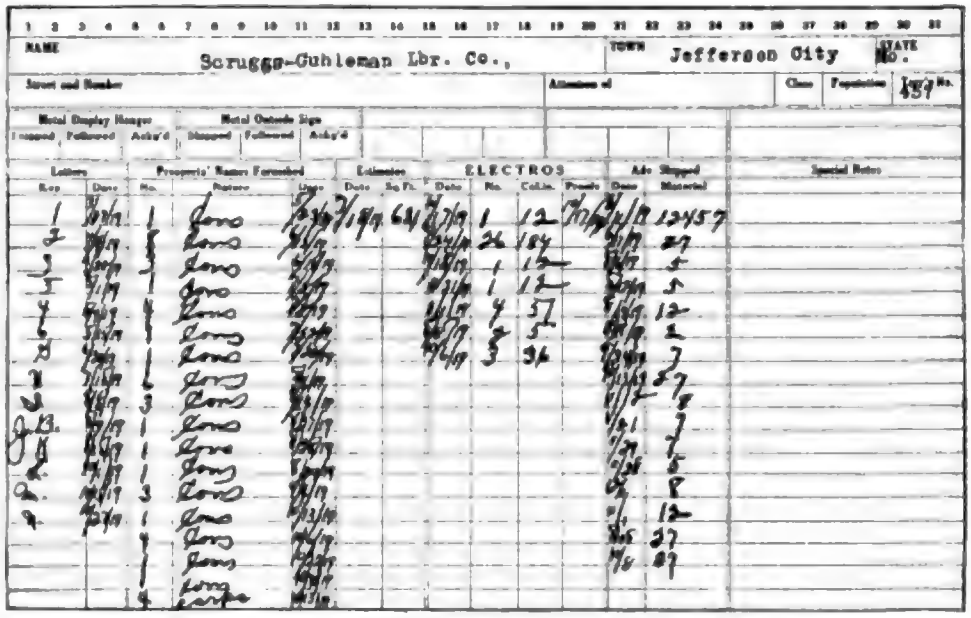
These tangible results have been particularly effective in enlisting for the plan the support of new salesmen. One representative had worked several weeks and sold very successfully without giving any attention to dealer advertising. A short talk during a visit to the offices, coupled with a review of several charts for other territories, soon convinced him that by selling his dealers on the use of advertising helps he could make his sales easier and at the same time tie his dealers up more closely to the proposition as a whole. He now uses the system faithfully and his percentage of advertising dealers has shown big gains.

THE executives of the Beaver Board Companies feel that much of the enthusiastic support that they have been able to obtain from dealers is the direct result of having this definite method of actually carding dealer interest. They point out that before this chart system was inaugurated, there was no effective way of determining what effort the dealer was making to move his Beaver Board stock. As a result there was no way of letting the salesmen know where the dealers were slow in taking advantage of advertising helps, and not only the home offices, but often the salesmen themselves, were frequently ignorant of the place that Beaver Board held in the dealer's regard. With the present system, at any moment the sales manager, the advertising manager, or the salesman can see for himself what any particular dealer is doing to let his trade know that he handles a stock of Beaver Board.

There is also less guesswork about the cause for sectional slumps in sales. If figures show a loss from any part of the country, it's a safe bet that the charts on dealer interest show a drop in that locality, too.

And besides the fact that it offers such a ready check on sales losses, the system records in black and white what might otherwise be entirely unappreciated efforts of individual salesmen. The man who is working hard to build up a territory full of interested advertising dealers has the satisfaction of knowing that every time he interests a dealer in advertising helps the fact is being recorded to his credit as accurately as if it were an actual sale of the product itself. He knows that, whether the results of this work show themselves in immediate or future increases in sales, there is no danger of his efforts being overlooked.

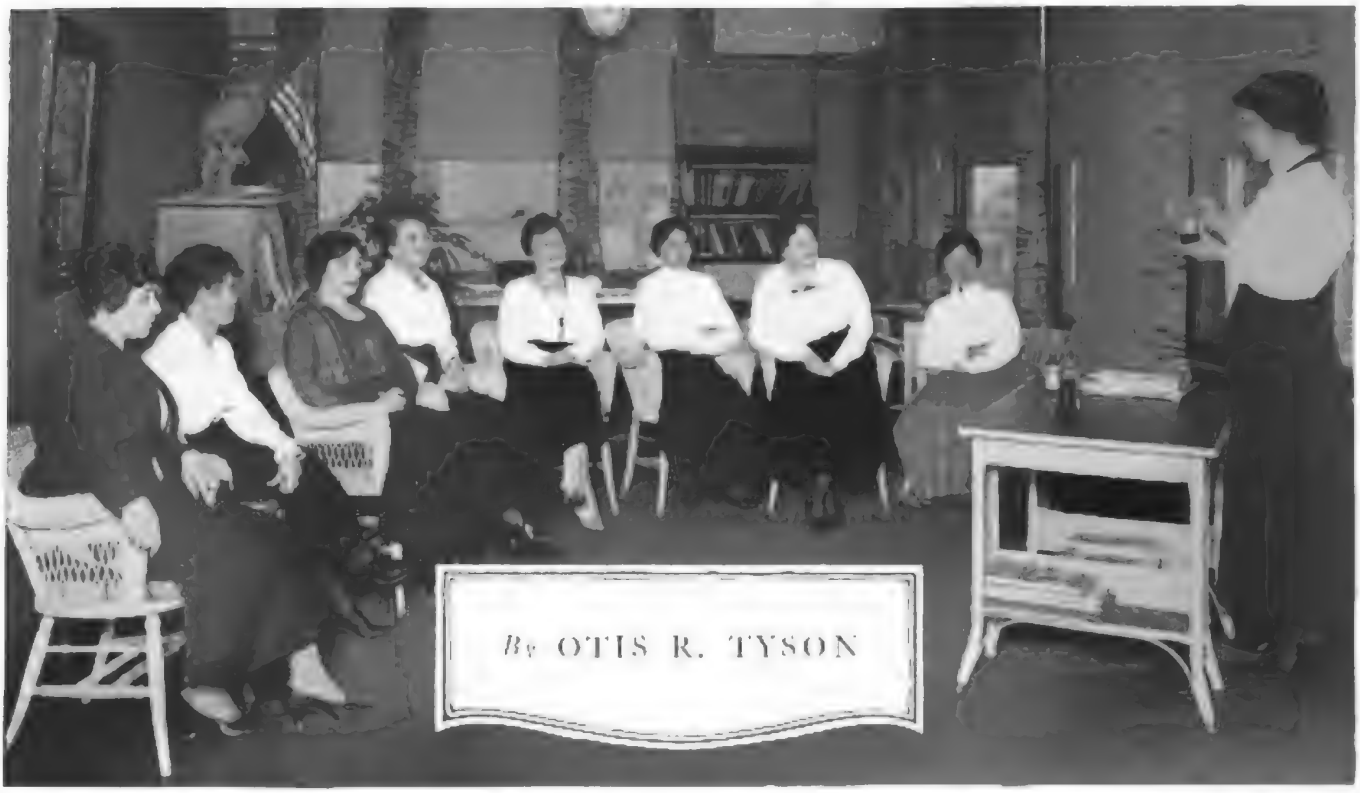
At every sales conference the charts hold a place of honor and are eagerly discussed and compared. The plan has sold itself to the sales force beyond all possibility of doubt. And the results show that, more than an actual check upon dealer interest, the system is resolving itself into an active stimulus for increasing, broadening, and making this dealer interest more productive of bigger sales.


NAME Scruggs-Vanleeman Lbr. Co., TOWN Jefferson City STATE Mo.

On this card is recorded all the advertising material that the dealer orders

"Every Customer a Guest"

Step Behind the Scenes in the Owl Drug Company and See How Salespeople Learn to Sell and Serve



By OTIS R. TYSON

HOW CAN a store overcome the handicap of non-personal management?

The Owl Drug Company, a successful institution conducting thirty-two retail stores on the Pacific Coast and in the Middle West, spends a considerable amount of time and energy in attempting to keep this question as nearly one hundred per cent answered as possible. It cannot be answered finally and permanently, for the governing conditions are always changing.

Some years ago the executives of the company analyzed the problem from every angle and reached conclusions which are substantially as follows:

We cannot depend upon cut prices to build and hold our business because, fundamentally, there is no personality in a cut-price transaction—nothing to hold the institution in the memory after the price is forgotten.

We cannot rely upon locations, for the future of even the best corners cannot be underwritten.

We cannot hope to win with elaborate equipment. A "well-dressed" store is an unquestionable advantage, but fine fixtures cannot create the atmosphere of friendliness nor radiate good will.

We cannot rest our case on quality, notwithstanding its vital importance. The same channels of supply are open to all competitors.

We cannot meet the issue even with completeness of stocks. Being able to say, "Yes, sir, we have it," is a tremendous asset, but not sufficient.

All of these things have a place in the building of business. With the exception of cut prices they are all essential, but combine them and you still lack that one great, irresistible force — SERVICE! Ah, that's the thing! With Service as our watchword we cannot fail.

But, alas, how can our ability to serve intelligently and our sincere desire to please be transmitted to hundreds of salespeople — our personal-contact representatives? We must set high standards of selection. If we expect to conduct superior stores we must have employees who are superior — morally, mentally and physically. We must educate those to whom we delegate the most delicate task of personal contact with the customer. Intelligent service can be rendered only by intelligent people.

The matter of selection is, of course, the starting point. These are the approximate physical requirements for saleswomen: age, from 23 to 35 years; height, from 5 feet 5 inches to 5 feet 7 inches; weight, from 120 to 160 pounds. Good eyesight, a pleasing voice and general good health are necessary qualifications. Those seeking permanent positions are preferred. Experience in selling is highly prized, but often the company engages an applicant with limited experience because she has a cheerful disposition, a pleasing approach and appearance, and is eager to learn.

Store managers pay constant attention to new salespeople during the first month or two, offering suggestions, praising good work and soothing the disappointment which sometimes results from failure to master quickly a great number of details.

References given at the time of employment must be investigated. This is an imperative rule, the idea being to get every possible angle on the character of the employee in addition

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to the usual check-up on honesty.

Upon being engaged, the salesperson receives a book of instructions which contains clear statements of the company's methods and policies. Read the opening paragraph:

"The Owl Drug Company is operated primarily for the benefit and convenience of its customers."

And another one on Page 2: "We realize that our proficiency in running first-class drug stores depends only on your ability to do the little things better than they are done elsewhere."

And another on Page 3: "We wish you to be guided by the general principle that the customer's wishes are always paramount."

The appeal for superior service permeates the entire book. On the last of the twenty-eight pages we read:

"Each member of our organization is valuable only in proportion to his ability to serve our customers."

FOR at least one week a competent tutor instructs every new salesperson. The course of instruction includes an interpretation of the printed rules and policies of the company and, if necessary, the proper method of wrapping packages and the counting of change into the hand of the customer, rather than on the counter. Two points which the tutor especially emphasizes are the need of tact in suggesting additional purchases and the proper form of salutation to the customer, which is "Good morning" or "Good evening," as the case may be.

There is a ban on such phrases as "Something for you, sir?" "What's yours?" "What can I sell you?" "Is there anything I can do for you?" "What can I show you?" and such words as "bargain," "terrible," "dandy," "awful," "swell," and "grand."

The following paragraph from the rule book covers another important point emphasized by the instructor: "Do not laugh at or correct a customer's mispronunciation of an article. If, for example, 'camphire' is asked for, sell it without comment. Avoid contradicting a customer, and never start a controversy. If you cannot handle a customer, call the manager."

The store manager issues a salesbook just as soon as he decides that the student has absorbed the essential details. The salesperson acting as tutor receives extra pay for the work. Since the company adopted this plan some months ago there has been perceptibly less slowing up of the service in stores where the help turnover has been abnormally high.

The salespeople of each store, or group of stores, where there are more than one in a city, meet once each week for educational purposes. Papers on pertinent topics, prepared in the home office, are read or some member of the sales or operating departments talks on some timely topic. Frequently the salespeople themselves prepare and read papers. Many of the papers contain practicable suggestions for improving service and store conditions. Following a salesman's suggestion that the company might segregate shaving supplies and put them in a space more convenient for men customers, the company rearranged several stores and has laid out new ones in accordance with this plan. That one idea alone proved to be worth the trouble and expense of a thousand of these meetings.

At these meetings experts demonstrate the best methods for selling specific articles. For instance, one will demonstrate a new massage vibrator that has been put into stock, showing the vibrator in operation and enumerating the essential talking points. He shows the salespeople just what the vibrator can do and how it does it. Another analyzes a new cold cream from a selling viewpoint so that every salesperson will have a ready and intelligent answer for every possible question from the customer. Another explains the formula of a new remedy so that there can be no mistaking its intended function. This prevents the too enthusiastic salesperson from making false claims as to the merits of the remedy.

Fundamental lessons, such as the one that teaches the salesperson never to touch the bristles of a toothbrush, and the one that teaches him to show plenty of merchandise—lessons of this kind engage the student's attention on frequent and sometimes unexpected occasions. The company emphasizes these details because it knows that salespeople cannot know too much about merchandise and how to present it to the customer. There is no room for thoughts of service—to say nothing of actual selling effort—in a mind clouded by lack of knowledge.

AT some of these meetings the company applies standard mental tests to everybody present. The tests cover alertness, memory, knowledge of current affairs, general information, power to concentrate and opinions on questions of personal and business honor. These tests are usually in the form of questions with a time limit always set. Here is one of the mathematical speed tests:

9	5	7	2	3	2	7	8	2	5	6	4	9	5	8	3
5	6	8	6	6	7	6	5	4	5	5	6	7	6	5	6
3	2	5	9	5	8	3	4	8	2	8	8	5	7	4	9
7	1	4	3	7	5	8	6	6	3	7	7	3	8	3	5
8	2	2	6	2	4	2	5	5	2	3	5	8	3	7	6
4	2	7	9	3	8	9	3	7	3	2	3	6	3	6	4
6	1	3	4	8	7	9	1	3	8	1	2	4	9	7	3
3	7	4	7	8	9	3	5	3	7	5	8	2	9	6	7
9	8	2	8	6	5	4	9	5	8	6	6	2	2	9	5
5	5	1	6	4	3	7	3	8	7	7	1	3	4	2	2

The person conducting the test allows one minute for the addition of the columns of figures, and rates each paper on the number of columns correctly added.

In the writing test the leader supplies to each person a sheet of paper at the top of which is written a paragraph containing about twenty-five words. He allows thirty seconds for copying the paragraph in a vacant space below, and rates the paper on neatness, legibility and number of words written in the thirty seconds.

Then, too, there is the test on personal opinion. Such questions as those that follow will be listed for

501 TESTS IN 9 STORES	Yes	No	Per Cent
1- Did you notice manager or floorman on the floor?	367	134	.61
2- Were you obliged to wait unnecessarily for attention from floorman or salesperson?	10	491	.96
3- Was any attempt made to substitute or discourage the sale of the item you asked for?	9	492	.98
4- Did the salesperson endeavor to interest you in any other item additional to the one you asked for?	142	359	.28
5- Was change counted back or left on the counter?	501	0	100
6- Did you receive a cordial "Thank You" at close of sale?	345	156	.69

The answers to questions Number One and Number Two reveal the degree of alertness of the sales force. Number Three takes into consideration the fact that the salespeople hav a financial interest in the sale of certain brands. The answers to Number Four register the intensity of selling efforts

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prompt answer. "Yes" or "No" is preferred, but comments are allowed:

Is war ever justifiable?
Do you consider trusts a public benefit?
Should women hold public office?
Does perseverance always bring success?
Can you correctly judge a customer by appearance?
Should the government own all public utilities?

THIS one covers business and personal honor:

Would you accept a salary of $20,000 a year to promote the sale of a worthless remedy?
Would you tell a lie to protect a friend?
Would you blame a buyer for accepting a gift from those from whom he buys?
If you found a $50 bill would you advertise for its owner?

The results of these and other tests are valuable aids in the study of character and are helpful in selecting material for managerships.

A monthly publication called "Owl Hoots" maintains contact between the home office and the salespeople. It never preaches, but is always newsy and instructive. It is a constant advocate of superior service and gives honorable mention in its columns to those who qualify conspicuously in this respect. "Hoots" stimulates competition by publishing the sales records of the leaders in various merchandise classifications in each store. Frequent memory tests appear in "Hoots," under the heading "Do You Know the Answer?" Questions, checking up on recent instructions, are listed and occasionally prizes are given for the best three or four lists of answers sent to the editor. These are typical questions:

What is the government tax on kodaks?
Under what other name are Purgans known?
What new bathing salts have recently been put in stock?

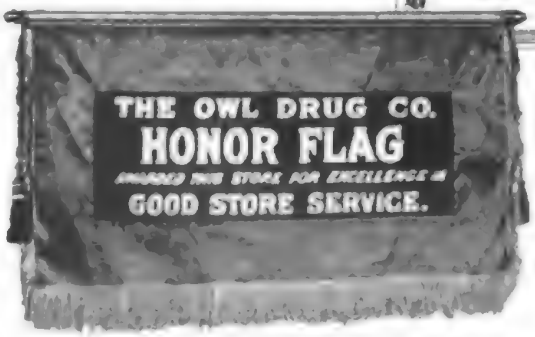
There is only one way to determine the quality of service and that is by actual tests. This work is assigned to persons unknown to the organization. They visit each store, buy a variety of articles and report on the service they find. The salespeople know all about this system and class the tests as legitimate examinations. The results, so far as the stores are concerned, are announced and discussed in meetings conducted by both district and store managers.

The exchange and refund policy of the company is liberal to the extreme, being founded entirely on the idea that "the customer is always right." At intervals all stores are tested in this respect.

For example, a "customer" was sent recently to each of a group of eleven stores with a hot-water bottle that had been damaged by a pin. She asked for a refund. Her reports showed that some stores were not living up to the company policy.

Another test was applied directly to those who sell toilet articles. In this case the shopper explained that her skin is dry and subject to irritation. She asked advice, thus opening the way for suggestions with the resulting temptation to "oversell" the customer by recommending a number of cold creams when only one is necessary.





Above, a typical "service" advertisement. Below, the Honor Flag, which the company presents to the store in each district that maintains the highest quality of store service

Here is a paragraph from one report which indicates that salespeople can and do absorb both knowledge and policy and put them into effect to the advantage of both the customer and the company:

"She brought out the Owl Theatrical Cream, telling me to use it for cleansing the skin. This it would do thoroughly, she told me, without the aid of soap and water. She suggested a course of treatment for the dry skin, using this cream. I asked for a vanishing cream to use before powdering. She told me vanishing cream was too drying for my skin, and that she would advise the use of the Owl Theatrical Cream for all purposes—cleansing, healing, and as a foundation for powder."

For the purpose of stimulating interest in service, the stores are divided into groups of from six to ten, according to geographical location, and an Honor Flag is presented to one store in each district every sixty days. The awards are based on the results of the purchase tests plus observations of home office heads. The winners display the flags prominently in their stores and make every effort to retain them against the renewed determination of the other contenders.

A complete and analyzed record of the individual sales is always available, for the salespeople are paid, in addition to their fixed salary, a commission on all sales and an extra commission on certain lines of merchandise in which the company has a special interest. The number of customers served is also a matter of record, as is the number of sales of more than one article to a customer.

The number of customers served in a month should not run below 3000. The leaders in some of the particularly well-located stores make from 4000 to 5000 sales in the twenty-six working days. There should be more than one item on at least 25 per cent of every salesperson's checks.

Store managers, as a rule, are promoted from the ranks—from behind the counters—because of their ability, intelligence and desire to get the idea that is back of the company's selling and service plans. When necessary they attend a "post-graduate" course and receive individual coaching in the training of salespeople. Frequent district meetings, an annual convention and visits from department heads keep them in touch with the home office. The store managers, perhaps, are the most important link in the chain that holds the company and the customer together.

IN a subtle way the salespeople are made to realize that the public expects better service in an Owl Drug Store than elsewhere. The company's advertising emphasizes the sincere wish to serve every customer intelligently, promptly and pleasantly, and the salespeople receive copies of all such advertisements.

Supporting the efforts of the salespeople and store managers towards perfection in service, the company provides free scales, accurate clocks, carefully maintained rest rooms and

(Continued on page 33)

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The Clerk Turns Merchant

The Story of a Co-operative Store in Washington and What it is Doing to Lower the Cost of Living

By HOMER JOSEPH DODGE

WHEN you work for the federal government you cannot have a little talk with the boss and, if business is fairly good, obtain a few dollars increase in salary to help buy shoes for the baby. Not at all. Government salaries are almost as immutable as the laws of the Medes and Persians. I know several government clerks who have not had a single penny of increased pay in half a century.



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"The treasury store sells only for cash. Few goods are delivered, and nothing is delivered free."

A given job pays a given salary and, in most cases, no matter how well that job is done no salary increase can be granted. There are a few ways of evading these strict rules. I know the private secretary to a high official. He receives a fair salary by being carried on the payroll as a customs inspector, although he never has seen a customs house. I know another who is assistant bookkeeper of a government department he never has entered. This jugglery is done in exceptional cases in order that deserving men may have better salaries for the jobs they fill than those jobs pay under the rules. But this plan, of course, can be used for relief in very few cases. For the most part the government clerk must work at his job for what the job pays.

With the war, the cost of living went up higher in Washington than in most other American cities. To the normal population of Washington was added overnight a new population of 150,000—a new city poured into an old one. The situation was that of a Number 10 population being put into a Number 7 city.

The normal population is composed of about one-third active adults, one-third inactive, old, infirm or indigent persons and one-third children. Washington's superimposed population was composed to the extent of 95 per cent of active adults—war workers grown-up people with grown-up demands.

The natural result was that the demand for everything exceeded the supply. Prices mounted to ridiculous levels and have stayed there. There has been no reduction in the cost of living at the capital. In fact, it steadily increases. For Washington's war population is hanging on.

Resident government clerks were caught in this economic pressure and suffered. I know of hard-working clerks with families who have done their day's work hungry and have gone home to hungry families.

In a mild sort of way the same spirit as that which generated the French Revolution sprang up in the nation's capital. But this spirit did not build barricades, nor did it look about for means of demonstrative violence. Guided by intelligent government officials it took a constructive tack and the result has been the government department co-operative stores.

There are now several of these stores and before the spring is over every department probably will have one. At present the most pretentious and most thoroughly organized is the Treasury Department Co-operative Store and the story of that will be in effect the story of all.

The treasury store was started last summer. A committee composed of Paul M. Myers, chief clerk of the Treasury Department, chairman; James L. Wilmeth, director of the Bureau of Engraving and Printing, and John W. Ginder of the supervising architect's office, was organized. The first need was capital. A letter was prepared by the secretary of the treasury and sent to each employee of the treasury, outlining the plan. This plan provided that each employee who desired to become a member of the enterprise should subscribe $5 to a capital stock. Twenty thousand dollars in capital came in practically by return mail and the store was started.

The Treasury Department provided space in three buildings—the treasury itself, the vast War Risk Insurance building, and the larger building of the Bureau of Engraving and Printing.

The next step was the appointment of a manager. John G. McGrath of Washington was hired as general manager of the enterprise and under him were placed assistant managers for the two other stores. As many other full-timed employees as were needed—only nine in all—were hired and the stores were opened.

The very nature of this sort of enterprise makes the employment problem simple. The government day begins at 9 o'clock and for most clerks ends at 4:30. There is a lunch period at midday. This arrangement assured that there would be practically no trade at all excepting before and after government hours and during the lunch period, because in the treasury store and in most of the others none but department employees may deal.

For the rush hours in the morning, at noon and at night, treasury employees were assigned to jobs as extra help in the stores. During the first few weeks of operation additional members joined and now there are between 6,000 and 7,000 members, who have invested between $30,000 and $35,000 capital.

The stores started modestly. Standard lines of groceries were put in, as they were most easily handled and would not spoil. Gradually such necessities as salt meats, fresh poultry,

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butter, lard and eggs were added. Fresh meats have not yet been put on sale, but it is not unlikely that these will be added, at least on one or two days a week.

The tremendous advantage of the store was instantly felt, prices being considerably below those of the private retail stores. So the society branched out. A line of clothing was installed. First, a special department for women's suits, coats and dresses was established. This paid. Then a department carrying both men's and women's shoes was opened and this, too, was well patronized. Next came a men's clothing department, which sold not only suits and coats, but also socks and underwear. In these departments conservative styles only are offered, the managers refraining from tying up the society's money in fancy or stylish goods. Since the whole purpose of these stores is to reduce the cost of living, they carry only the sort of goods that are wanted by people who have their backs to the wall.

If the government clerk has one thing that may be called a luxury, it is a "flivver." Of course, a relatively small proportion of the total number of clerks can afford even flivvers, still there are some thousands in Washington. To meet the demand occasioned by this ownership, the treasury store laid in a line of automobile tires.

Green groceries gradually have been added to the stocks. In this respect, however, the store moves cautiously, for it dares not take many chances with perishable goods. It cannot afford to take up losses due to spoilage by adding to other prices; that would defeat the whole scheme.

The treasury store sells only for cash. Few goods are delivered and nothing is delivered free. Clerks who buy large orders may take advantage of an arrangement with a commercial delivery company, whereby the goods are delivered and the purchaser gets the service at cost.

The keynote of the whole plan is "cost." Rent is free, help is inexpensive, profits are not essential—the whole thing is operated at cost. The United States government employs the highest type of scientists in all lines and especially does the Treasury Department employ clerks who are expert in the science of bookkeeping, accounting and figuring costs. These men are naturally willing to aid in putting their store on a scientific basis and they have devised a system whereby every article sold, from a package of toothpicks to a suit of clothes, bears its just share of the slight overhead and no more.

When a purchase is made, it is entered on a storage stock card. The card shows the investment cost of each unit in the purchase. To that is added the cost of overhead, at present estimated and depending on the product. The overhead charge averages a little more than 6 per cent. To the total cost is added a slight margin, generally only enough to make the selling price an even figure.

The mark-up on some goods is several points above cost and on some under selling cost. For the store has to consider outside competition. Its prices are governed to some extent by those at which outside stores sell goods. Thus most staples are sold on margins below the actual cost of handling them, as is done elsewhere, and the difference is made up on non-staple or fancy items.

The managers are not yet certain how far they can go in handling goods for which there isn't big or general demand, as they must confine their stocks to things that will move with reasonable speed.

RECENTLY they had to sell some high-grade sardines in bulk quantities on margins only, slightly above purchase price to keep them from becoming dead-weight stock.

Early in January they distributed ten tons of sugar on a margin of one cent a pound. The price was 18½ cents, though much of it cost more than 20 cents. They purchased several lots at varying prices which were averaged. Most of the product was distributed in bulk to groups which made their own divisions.

The accounting requires the services of several persons. There is some dispute as to whether it isn't too intricate, being modified government accounting, to be economical. The government in its accounting aims more at preventing leaks than at conserving profits.

In December the store and its branches did a business of $23,174.30. Wages are about the same as in independent stores. The funds of the society are carefully administered, the treasurer being John I. Summers, disbursing clerk of the Treasury Department.

The managers expect to bring the cost to, or close to, 6 per cent of gross sales, but they don't claim to have reached that low figure yet.

Other co-operative stores now flourishing include one at the Department of Commerce, one at the War Department and one at the Post Office Department. At the post office a new policy has been adopted—that of permitting the general public to deal in some of the goods offered for sale—with the result that the business is greater than can be handled with the facilities offered.

Protests have been made to government officials concerning the activities of these co-operative stores, but the only complaint is that they are underselling.

For instance, the co-operative stores are selling women's suits at $75 which are offered at the retail establishments for $125. Similar contrasts in the price of shoes and other articles are common. All of these goods are bought, not from jobbers, but directly from the manufacturers—and they are sold to the clerks at cost.

The plan is working so successfully now that it is whispered that the various departments plan to combine and establish one mammoth co-operative department store, obtaining for the purpose a large building, possibly one of the emergency government buildings erected for war use. The situation is being watched with great interest in Washington.

STORAGE STOCK CARD

SHELF _____ NAME OF ARTICLE Spaghetti

BRAND Wagner

UNIT Pkg. MAXIMUM QUANTITY _____ SIZE 15 GRADE _____

MINIMUM QUANTITY _____ DEALER Frey & Son

RECEIPTS						TRANSFER TO SALES ROOM				
DATE	QUANTITY	INV. COST BY UNIT	ALL OTHER COSTS BY UNIT MISC	OV. HD.	TOTAL COST BY UNIT	DATE	REQ. NO.	QUANTITY BY UNIT	BALANCE QUANTITY	SELL. PR. PER UNIT
1919						1919				
11/21	72	.1083	.002	.0065	.1178	11/21	B	72	0	.12

A separate stock card is kept for every commodity in stock. Observe that costs are figured to the hundredth part of a cent. So narrow is the margin that 100 packages of the spaghetti recorded on this card would cost $11.78 and sell for $12.

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Why Business Is Seeking La Salle Trained Men

BIG employers are fast learning the value of filling their organizations with specialists and executives trained under the La Salle Extension Method.

When Theodore Roosevelt wrote: "I look upon instruction by mail as one of the most wonderful and phenomenal developments of this age," he was confirming a conviction already expressed by many men of prominence, such as J. Ogden Armour; E. P. Ripley, President Santa Fe Ry.; Walter H. Cottingham, President Sherwin-Williams Co.; F. H. Sieberling, President Goodyear Tire and Rubber Co.; Geo. M. Reynolds, President Continental and Commercial National Bank; Alexander H. Revell, and numerous other large employers who are endorsing the La Salle plan of business training. Their opinions properly carry weight as the expressions of men who are among the Deans of American Business, and who are filling their organizations with the best brains and ability obtainable.

The La Salle Problem Method

To the La Salle problem method of business training, perhaps, more than to any other of the distinctive features of the plan worked out by La Salle's Educational Staff, is due the quickness with which La Salle members learn to grasp business fundamentals, and acquire the ability to assume, without long years of "inside" experience, duties of executive and administrative importance.

By the Problem Method the individual is taken behind the scenes of big business, so to speak, and is given the opportunity to work independently in the exercise of his judgement and the application of his knowledge to the handling of important matters. Every move of the student is carefully supervised and checked under the watchful eyes of experts—in effect, the student is working at the very side of the big executive in the private office—guided step by step in the handling of problems or cases just as they arise in daily experience and are handled by the executive himself.

It is quite probable that when Mr. Roosevelt marveled at the "wonderful phenomenal" developments in training men by the extension method he had well in mind the unusual resultfulness of this unique manner of combining fundamental principles with Practice under the Case or Problem method evolvedby La Salle Extension University.



The La Salle Problem Method of business training is like being privileged to sit in a council of modern executives, and taking an active part in the right solution of their daily problems.

It is a modern development in the field of higher business education, made possible because of La Salle's thorogoing policy of sparing no expense in securing problem specialists who have been conspicuously successful in business practice as well as thoroly experienced in classroom methods of teaching. It is well within the bounds of fact to say that in the preparation and development of basic material and service, a quarter of a million dollars has been expended by the University in perfecting a single course of training.

La Salle Extension University

"The Largest Business Training Institution in the World"

Business is moving ahead with marvelous rapidity. Never before in history has industry in all branches faced such vast opportunities. Experts agree that the only limit to phenomenal development is the ability to secure an adequate supply of *trained men.* To put it in the words of Chas M. Schwab: "The Captains of Industry of America are not hunting money; they are seeking brains—specialized brains."

It is no mere figure of speech to say that there is a "crying demand" for trained men in business. Literally the heads of big business institutions are today "crying" from the housetops for business specialists capable of independent thinking, planning and the exercise of sound judgment in the conduct of important departments.

La Salle Trains for These Positions

Salaries from $3,000 to $10,000 a year and more are readily bid for proficient Business Managers, Expert Accountants, Auditors, Comptrollers, Financial Managers, Cost Accountants, Credit Men, Banking Experts, Law-Trained Men, Traffic Directors, Sales and Advertising Managers, Interstate Commerce Experts, Efficiency and Production Managers, Business Correspondents and Office Managers. The rewards today are sure, swift and exceedingly liberal for the man—or woman—who shows ability to rise above the level of routine work.

The person who would be sure of his advancement, today, *must* have training, for as Theo. N. Vail sharply warns the job hunter: "Too much is involved in big business to have its affairs retarded because of friendship. It has been discovered that one cannot run a business under the present high pressure by favoritism or nepotism. I don't mean that men with friends are not given chances, but I say that they have to make good or get out."

More Than 200,000 Enrolled

More than two hundred thousand men and women from all walks of adult life have been helped thru La Salle training. It was this fact that prompted Ex-President Taft to say of La Salle: "You in this school are facilitating that which we cherish as the great boon of Democracy—that is, equality of opportunity." And it is true that La Salle training does give every man that chance. It enrolls the young man just beginning his career; it gives the man already started a new impetus; and it also has as members old, seasoned executives who realize that they, too, can learn and profit from La Salle's large staff of business and educational experts.

Great Corporations everywhere are profiting thru the employment of men trained under the La Salle problem method. The Pennsylvania R. R. has 2,102; the American Telegraph and Telephone Co. has 811; U. S. Steel Corporation has 309; Armour and Co. has 364; Standard Oil Co. has 390; and from 50 to 500 each with scores of other great organizations.

Write for Information Today

An enthusiastic La Salle member wrote us recently: "Buying a stamp or post card and sending for La Salle literature seems simple and commonplace, but it proved in my case, to be the wisest and most profitable thing I ever did. It is hard for me to realize that in less than a year's time I have had four big jumps in my earning power as a result of La Salle's help.

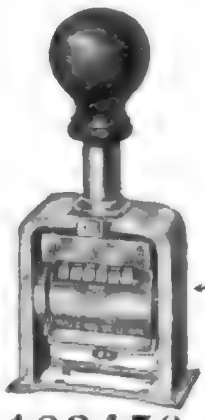
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What Will They Eat in June?

(Continued from page 9)

cooking—healthful, summer-time dishes prepared without heated kitchen or housewifely hustle.

Not many years ago the only soup we had was the soup that came from the home kitchen. Today, as figures indicate, the greater part of the soup we get comes first from the kitchens of those cooks who are making soups on an enormous scale and who are telling the world about their activities through their national advertising campaigns.

Look at the figures on canned soups. In June, a month when we rarely had soup in the olden days, this grocery department did almost 1 per cent of its business on soup.

Soup sales mean cracker sales, and as we go down the chart we find that in June the soda cracker business was .368 per cent of the month's volume, while the sweet cracker business, due to a sugar shortage and the fear of the warm kitchen that comes from cake-baking, was .631 per cent of the department's total business.

A substantiation of the reasoning that the housewife bakes less bread in the summer, and that she is baking less bread nowadays than she formerly baked, comes with knowledge of the fact that flour produced 2.682 per cent of the total sales. A look at the chart for October, November, December and on through the cold weather months, would show the effect of cold weather on the home baker.

As flour sales go up and down, baking powder and the other ingredients of bread, cakes and pastries go up and down. A month that is a good flour month logically will be a good baking powder month and a good month for everything that is used in baking. Purchases of these items are controlled by the same chart that controls the purchases of flour.

To my groceryman friend this chart idea is now almost indispensable. He turns to it for inspiration. It is his guide in buying. His barometer of stock, it shows him what he should buy; when he should buy it; how much he should buy of certain things in relation to certain other things. His complete system covering a full year's period will show him just the direction to go for every commodity usually carried in a grocery store.

This system of buying and stock control has been so accurately and so carefully worked out that, in the opinion of the manager of this grocery, it would be possible to stock a grocery store and run it with very little knowledge of the grocery business other than that furnished by the charts.

Let's Stop Burning Money

(Continued from page 7)

existence of the law, however, usually is sufficient to insure obedience to fire prevention orders.

But with all this progress on record the fire losses in America in 1918 were $317,000,000—sixty-seven million more than for the average year. The fire prevention educational work has not stimulated the people to action in any effective way, and although the gradual acceptance of the personal liability idea shows a changing psychology, such laws inspire no collective action or community effort.

The impoverishing effect of the fire waste is national, but every fire is local—it must start somewhere. Local organization is therefore necessary—collective action by men and women who have been awakened and who are capable of enthusiasm and devotion in eliminating local fire hazards. We must organize these forces already at our command; we must create an organization that will function before the hour of disaster; that will look forward and not backward; that will collect the factors of fire safety and weave them into the fabric of the community life, beginning locally, in each city, to eliminate the fire hazards which in their aggregate throughout the nation are impoverishing the collective life and blackening our national fame.

SUCH organization work is now under way, and any citizen, man or woman, may become identified with it. The plan is this: In every city in the United States and Canada the National Fire Protection Association has members. At present they are collectively inactive, because they never have been asked to act collectively. They are men in various walks of life. Fire prevention is not their main interest; they are busy with their own affairs. But the fact that they are members of this association sets them apart in their communities as men who are awake to the significance of the fire waste and interested in reducing it. They are willing to assist in this object if someone will take the initiative and tell them how they can help.

The fire chief is the man to do this, and the plan is to assemble these local members about him as a sort of permanent committee or cabinet which he can call together monthly, or oftener if need be, and to which he can tell his troubles and outline his plans to make his city safe from fire. The value of such co-operation is obvious. The fact that these men are in different walks of life is a peculiar advantage, for nobody can charge that any

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special interest is behind the local fire prevention undertakings.

The association in any average city will include among its members the leading architect, the leading consulting engineer, the leading insurance agent, builder, manufacturer, warehouseman, credit man, department store manager, and so on—not a bad group to understand the fire chief's efforts and support them where support is needed! If any inspiring statesman tries to make political use of the fire department he won't get very far with a group like this in action, and the fire chiefs themselves will not need to play politics when such a body of men stand ready to issue public statements on the plans and needs of the departments. If a new motor truck is needed, if there is disaffection among the firemen, if there is a bad fire hazard the chief cannot get corrected, here is a non-political, friendly, interested body of men, any or all of whom can be depended upon to help in the right way.

And there are larger things than these details that can be accomplished by such a group if it has the imagination to see it and the will and energy to project its plans. By persistent efforts it can influence every factor of civic life to advance the city in the direction of its endeavor. Cities are not made safe from fires in a day. A long background beginning with proper building construction and following with proper safeguards is essential. There is scarcely a city in the country which would not be benefited by certain amendments to its building ordinances. It is the ever-present conflagration hazard that is the principal municipal peril. The conflagration hazard is not confined to any one province or state. It is present in every province and state and in every city and town in the United States and Canada. We have built largely of wood, and sooner or later we must pay the penalty unless we can find some way to protect our cities.

There is a way to solve this conflagration problem—not absolutely, but at least relatively. We cannot be expected to tear down our cities and rebuild them of fire-resisting material; the cities must be protected as they stand. In the heart of nearly every city there are streets crossing at right angles, along which for a very considerable distance are buildings of brick, stone and concrete. This shows a more or less complete Maltese cross of buildings which are not wooden and which operate to divide the wooden-built district into quarter sections, and which might hold a fire



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in any one of the sections if they were equipped to do so.

These brick and stone buildings are ordinarily valueless as fire-stops because their windows are of thin glass and their window frames of wood. At Baltimore, San Francisco, Chelsea and Salem the fire attacked such buildings easily, breaking out the panes, consuming the frames and converting every story of these structures into horizontal flues full of combustible contents.

Brick and stone buildings are logical and capable fire-stops if the fire can be kept out of them. The small city that will trace out its Maltese cross of such buildings and equip them with metal window frames and wired glass will immediately possess the equivalent of substantial fire walls crossing at right angles in its centre, dividing it into four fire sections. By such a simple, inexpensive, but yet strategic procedure many a city may save itself from the destruction which now awaits only the right kind of a fire on the right kind of a night.

I have referred in this plan merely to the smaller cities, but it is obvious that this form of protection is equally imperative in the brick, stone and concrete districts of all large cities where great values are housed in close proximity. Fires in the large cities entail an enormous waste because of the great values assembled there. We must eventually equip all commercial, factory and office buildings with metal window frames and wired glass. This will mean the abolition of the conflagration hazard in our cities. Fires then will be unit fires, extinguished easily by competent fire departments within the buildings in which they originate; for the protection of window openings not only prevents fire from entering, but prevents fire from issuing out of burning buildings. We may expect an occasional exceedingly hot fire to break down the defenses of an adjoining building, but it is obvious that a conflagration could not get under way among buildings of fire-resistive construction with properly protected window openings.

Having thus fortified city buildings one against the other, extensive fires within individual structures can be prevented by the use of the now well-established automatic sprinkler system. The automatic sprinkler applies the water without the help of human agencies while the fire is still incipient. It will operate in a dense smoke as well as in a clear atmosphere. It will not throw excessive deluges of water in wrong places as the fire departments are continually obliged to do. With our window openings protected and our buildings equipped with such extinguishers, the conflagration hazard in mercantile districts will be eliminated. There will then remain for consideration our immense residence districts, constructed almost wholly of wood, surrounding the mercantile centres like fagots around a funeral pyre. We can lessen the loss here by abolishing the use of wooden shingles.

The prohibition of the shingle roof, which is now generally recognized as a conflagration breeder, is today almost universal within city fire limits, and from the more enlightened communities it is excluded altogether. Burning shingles can be carried great distances by the wind or by the draught of a conflagration, and if they alight upon other dry shingles they make fearful havoc.

It will not be necessary to remove all shingle roofs immediately. An effective city ordinance might require that in future all roofs be constructed of incombustible material, and that all roofs which shall hereafter require repair to the extent of one-third of their area shall be replaced with incombustible roofs. The modern shingle is thin, and the machinery that makes it leaves a fuzzy surface which, after a period of drought, becomes like tinder. Were there no shingle roofs flying brands would not be carried over the brick centres of the city by the wind.

In one western city where the plan of organization I have outlined is already under way the local cabinet is to make a survey of the city with special reference to sweeping fires, picking out the buildings that might serve as fire-stops and ascertaining if their window openings are protected either by fire shutters or metal window frames and wired glass. Where such window openings are unprotected a committee of the cabinet is to call upon the owners with the fire chief and explain the advantage, both to the tenants and to the city, of providing such protection. No good citizen could ignore such a request made in the interest of the common safety. This is just one example of what such a cabinet can do. The down town, high value portions of all cities can gradually be made proof against conflagration by such quietly effective work.

The time for such a plan as this is ripe and all the other fire prevention agencies, physical and educational, dovetail logically into it. There must be definite, constructive work in every city of the country, undertaken by the group that understands the significance of it. The fire insurance companies are doing all they can to meet their

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responsibilities by indemnifying the victims of fire; the cities are maintaining the most expensive and efficient fire departments the world has ever seen. Yet the fire losses last year were $269,000,775. What, then, is the next step? All the usual agencies being exhausted, some new attack must be planned. What can be better than a sustained local effort fostered by the citizens of the municipalities who are alive to the significance of the fire waste and the present dire need of the world for its abatement?

Science and Your Letterheads

(Continued from page 13)

immediate commercial purpose, but which must ultimately benefit the industry.

IT must be evident that, after the research laboratory has instructed the mill how to proceed, the resultant paper product must be different from the product of the mill that buys its raw materials haphazard and exercises no strict control over the manufacturing steps. There is no room for arguing when such a product is offered for sale. Its quality, its properties, its characteristics, have been scientifically determined. Like the electric incandescent lamp, it bears a label which is at once a scientific description and a guarantee that paper made under the control of the research laboratory is a scientific, a standardized product. The manufacturer of that piece of paper knows everything there is to be known about it. Sheer speculation gives place to certainty.

Consequently, research must result in promoting fair dealing in the paper trade. It is an old maxim that the buyer of goods must be on his guard. *Caveat emptor*—let the buyer beware! Most trade trickery escapes punishment because the maxim is an accepted principle of the common law. The burden of informing himself is thrown on the buyer, and yet the buyer is helpless because the seller alone is in possession of all the technical facts.

The establishment of a research laboratory implies at least a moral abandonment of the old *caveat emptor* principle. Research means that the manufacturer, the seller, must be on his guard—more than the buyer. He dares to assume obligations. Because he has all the technical facts he knows exactly what he can promise.

Permanent success must rest on the "square deal." And the very essence of the "square deal" is industrial research.



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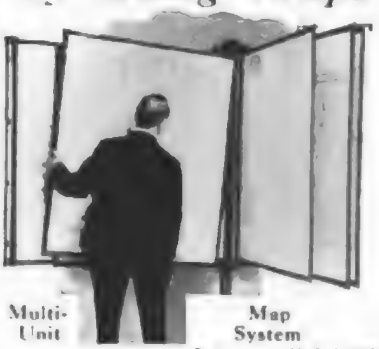
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Capitalists Behind the Counter

(Continued from page 17)

money need not deter him, if he is the right sort, for Mr. Myers will endorse his four-months' note at the bank.

At the end of the four months the loan may be renewed, but most of the salesmen make a point of reducing the loan each time they renew it. Mr. Myers believes this plan is a real help to a man; he says "no man saves as much as the man in debt."

As a stockholder the new salesman shares the responsibility of naming the board of five directors, who in turn choose the managers of the store. A capable salesman is eligible for election as a director, or even as a manager. Their continual presence in the store enables the stockholders to keep themselves fully posted on the strength or weakness of the manager.

THE fact that he is a stockholder in this company, with at least part of his earnings tied up, does not keep the salesman from accepting a better job or from going into business for himself. Neither is the departing salesman required to part with his stock, but the company obligates itself to buy the stock at any time at the market price and reserves the first right to buy. The fact that the company has doubled its business several times over, yet never has increased its capitalization, makes the stock a desirable investment.

Not all the salesmen in the Myers store are stockholders. In the main store fourteen men—including the old tailor in the back room of the third floor, who never has a chance to wait on a customer—are stockholders.

"Isn't there an incentive there for the men to co-operate? Certainly there is," Mr. Myers says. "The salesman on the first floor who sells silk shirts is interested in the overcoat sales on the second floor. With any sort of an opening he will suggest to the customer that the overcoats they have just received are the best values in the city. And the man selling overcoats will boost along the sale of furnishings. The tailor puts his best efforts in his work to get satisfied customers. And they all get behind E. M. Pritchard's clever advertising schemes.

"Needless to say, every salesman is vitally interested in the buying in his own department. Whoever does the buying is going to use some foresight in ordering lest he should stock up with dead weight that would bring loss to himself and his fellow employees. The salesmen are getting a training which helps them and helps business in general."

Laughing Gas With Every Bill

(Continued from page 19)

bill is paid, the nuts are sold and there is another order on the way.—Hamlet's Soliloquy. I will pay you a really truly visit the first of the year. I paid you a visit last year, but that was all I could pay you then."

Texas was brief and to the point. "This is a pretty neat letter you have," said the Lone Star chap, "so I enclose the desired."

Enough of these letters and answers have been quoted to show that the Nut House ideas on collections are pretty nearly 100 per cent when it comes to results. Debtors actually like to get collection letters from this house. The success of the plan may be understood from the fact that the Nut House usually has $200,000 outstanding, and that it turns over this enormous investment in from forty to forty-three days' time. Mr. Delkin's entire business is on a credit basis. He sends out the first collection letter at the end of forty days, the others at ten-day intervals until he gets the money, but as noted before, the first letter usually turns the trick.

Best of all, these unique letters have made virtually every customer a firm friend of the house; they radiate friendliness and cement trade relations as orthodox collection letters never could.

"Every Customer a Guest"

(Continued from page 21)

every physical device in the way of equipment that will help to make shopping in an Owl Drug Store a pleasant experience. Going further in establishing good will through service, the company fills prescriptions for the worthy poor without charge; it gladly administers a single dose of a simple remedy to a customer in an emergency without charge; it includes medicine droppers with the bottle if a prescription contains iron tincture, which is injurious to the teeth; it never charges for corks, bottles, or a sheet or two of writing paper and an envelope.

Check back over the preceding paragraphs and you will fail to find a single method that is not already known and used in many institutions where service receives the consideration it deserves. What, then, is the reason for the success of the Owl Drug Company?

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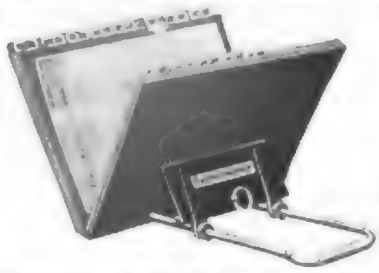
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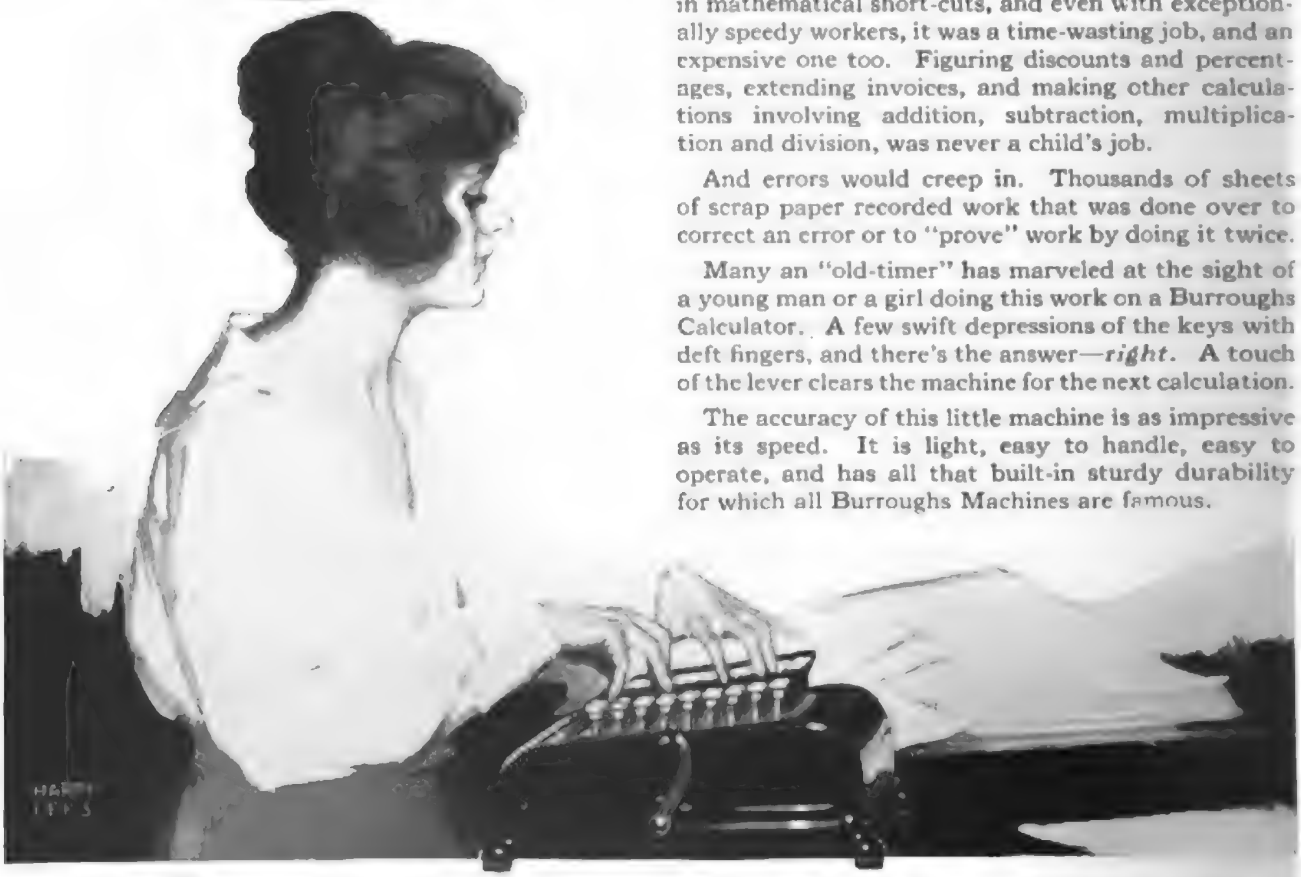
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Calculating—in the old days—was a problem in many a business. It required a specialist, a man trained in mathematical short-cuts, and even with exceptionally speedy workers, it was a time-wasting job, and an expensive one too. Figuring discounts and percentages, extending invoices, and making other calculations involving addition, subtraction, multiplication and division, was never a child's job.

And errors would creep in. Thousands of sheets of scrap paper recorded work that was done over to correct an error or to "prove" work by doing it twice.

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The accuracy of this little machine is as impressive as its speed. It is light, easy to handle, easy to operate, and has all that built-in sturdy durability for which all Burroughs Machines are famous.



A-B-C

ADDING-BOOKKEEPING-CALCULATING

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A Library Bureau purchasing system eliminates guess-work. It makes the purchasing agent master of the situation at every point because he is always sure of his facts. It leaves him free for his real work.

Such a system gives an automatic and sure check on prices, quantities and deliveries. It prevents duplication of orders and twice-paid invoices. It maintains a constant pressure toward lower prices, better quality, quicker deliveries, more accurate service in every respect.

We have just issued an interesting 32-page book on *"Purchasing department records"*. Some particularly important chapters deal with Purchase Orders, Quotations, Stock Records, Correspondence and Catalog Filing and Follow-up systems.

We believe this book will be of value to every concern which has a purchasing department. A copy will be sent to you promptly on request.

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Buffalo, 120-122 Pearl street
Cleveland, 345 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 202 Hubbell bldg.

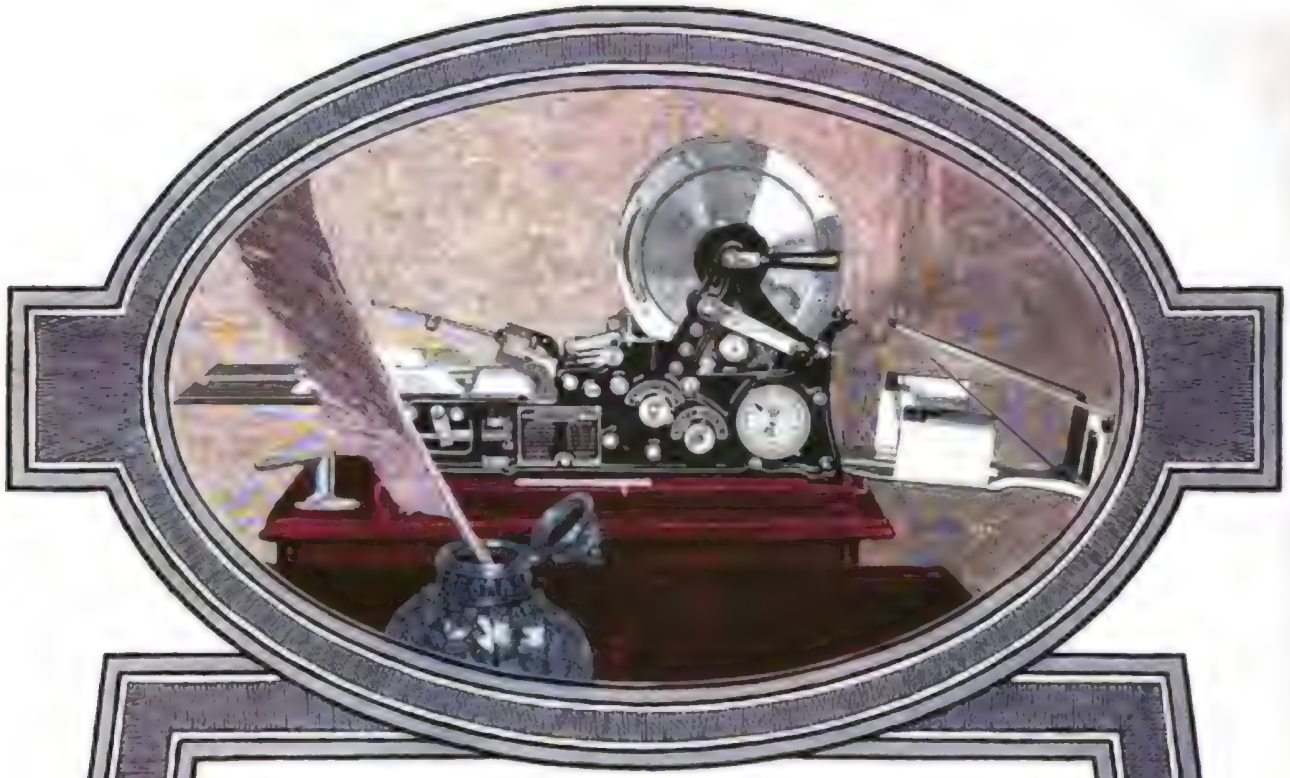
Detroit, 48 Washington blvd.
Fall River, 29 Bedford street
Hartford, 73 Pearl street
Houston, 708 Main street
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 629 Caswell block
Minneapolis, 425 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 437-439 Oliver bldg.

Portland, Me., 463 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1222-24 Mutual bldg.
St. Louis, 513-515 Arcade bldg.
St. Paul, 114 Endicott arcade
Scranton, 408 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 405 Dillaye bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N. W.
Worcester, 716 State Mutual bldg.

Distributors
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San Francisco, 539 Market street
Seattle, 108 Cherry street
Oakland, 1444 San Pablo avenue
McKee & Wentworth,
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Parker Bros.,
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'Twould be hard to reckon the millions of dollars that this little machine is *saving* for American business. Always a quick and economical way of duplicating all kinds of typewritten letters and forms! But with the arrival of the new Dermatype stencil—"a thin sheet of dark-blue paper"—the Mimeograph becomes tremendously more useful. *It does finer work.* And, as the new stencil is practically indestructible, it does quicker work—and cheaper. Also it easily prints maps, plans, designs and the like—opening new possibilities for development. In thousands of American industries the Mimeograph is now effecting essential economies. Cogitate! At this crucial time don't you think it worth while to investigate what it can do for you and your business? All information—and catalog "B"—from A. B. Dick Company, Chicago—and New York.

EDISON DICK MIMEOGRAPH

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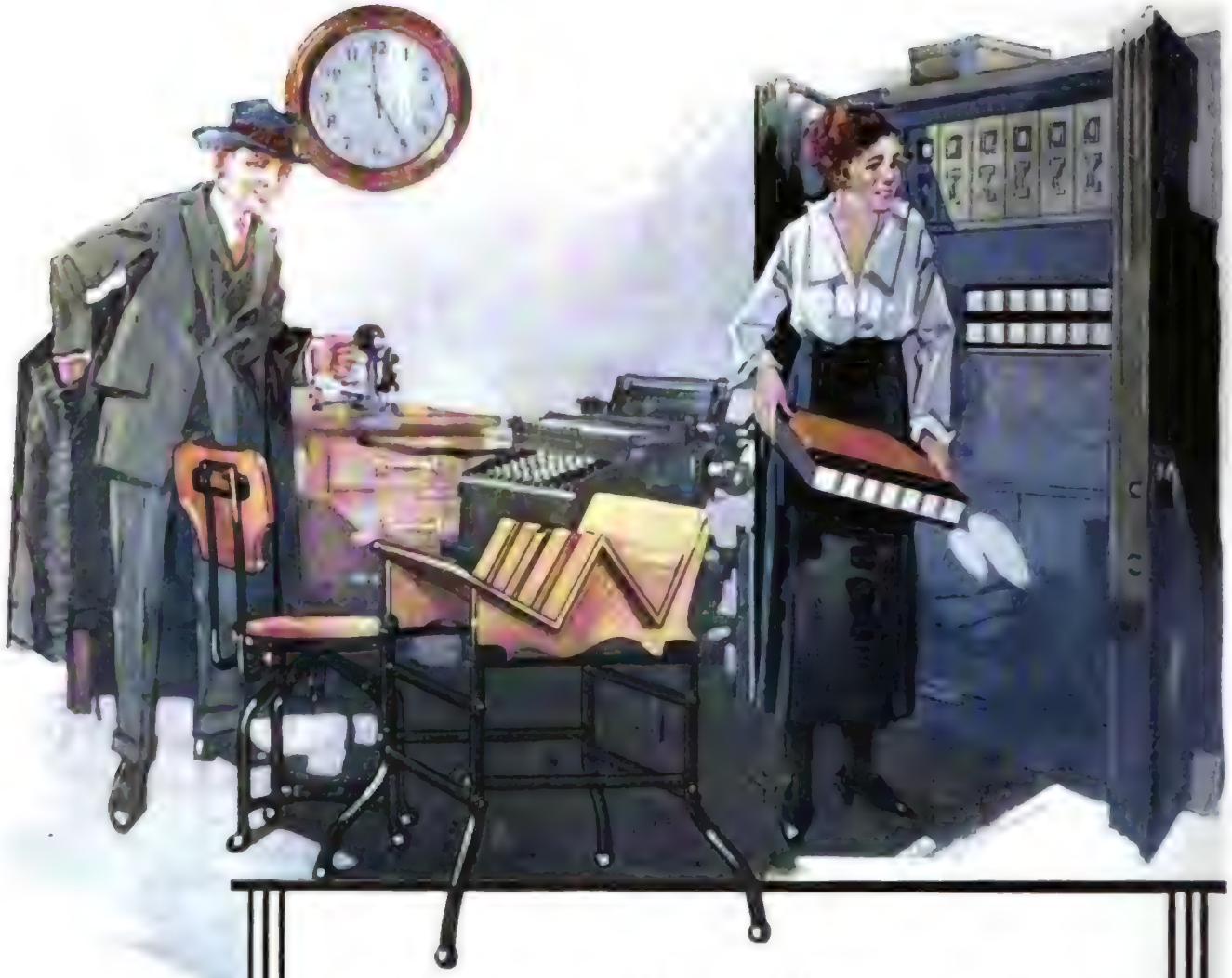
BUSINESS

JUNE — 1920 125,000 COPIES



Burroughs Adding Machine Company

Detroit, Michigan



"EIGHT HOUR EQUIPMENT" is the term aptly applied to Kalamazoo Loose Leaf devices by enthusiastic users.

The speed of the bookkeeping machine depends upon the operator, and the speed of the operator is dependent upon the loose leaf equipment. The Kalamazoo Style "C" Systems were designed with this thought constantly in mind, and as a result every conceivable mechanical aid to the production of more and better work is embodied in this system.

Let us assist you in making the day's work in your accounting department end at a regular time each day. Our booklet, "Labor Waste," will give you some conception of Kalamazoo devices, their uses and results. *Write for it today.*

Kalamazoo Loose Leaf Binder Company

KALAMAZOO [illegible] MICHIGAN

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BUSINESS

Volume 1, No. 8 May, 1920

Lucien Kellogg, *Editor* P. P. Martin, *Business Manager*





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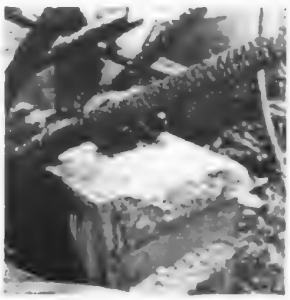
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Will Your Papers Live through Fire?

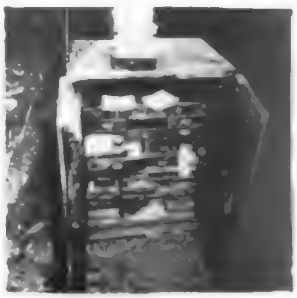


Ruins of McCoy Hall, Johns Hopkins University, Baltimore, Md.



Allsteel *Safe as found in the ruins of Johns Hopkins fire.*

Same Allsteel *Safe after being opened, with even the Liberty Bonds unharmed.*



The only safe that lived through the million-dollar fire at Johns Hopkins University last Thanksgiving was an *Allsteel* Safe. Photograph in the center shows how this safe looked after five days in the hot embers where steel girders and timbers had fallen on it. Photograph at right shows the *Allsteel* Safe when opened, with currency, important records, and even $5,500 in Liberty Bonds intact.

GF Allsteel Safes



Typical interior arrangement of an Allsteel Underwriters' Class B Safe

RECORDS are the life-blood of a business, and they are not insurable. Yet some men, otherwise progressive, forget they are highly inflammable. Every minute of every day someone's building burns down.

In an *Allsteel* Safe your papers will be secure through the fire that may visit you. The *Allsteel* Class B passes the gruelling test of the Underwriters' Laboratories. Yet, notwithstanding its perfect protection, it is the lightest safe of its type made and has the greatest interior capacity. It is the most moderately priced and highest grade safe you can buy. Do not run risks that are very great and wholly needless, but take a modern man's pride in being adequately protected.

See the Class B *Allsteel* Safe at your dealer's, and examine the entire *Allsteel* line of files, desks, and other office furniture. It is the equipment that belongs with success. We will gladly send you, on request, our 88-page illustrated catalogue of the *Allsteel* line.

The General Fireproofing Company
Youngstown, Ohio

New York *Chicago* *Boston* *Washington* *Atlanta* *Seattle*
Dealers in All Principal Cities

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Seattle and the American Plan

The Unions Wouldn't Clean House, so the City Did It for Them and Re-established the Right of Men to Work

By FRANCIS R. SINGLETON

SEATTLE, the first city in the United States to experience a general strike instigated by revolutionary syndicalists, has pointed the way of deliverance to those other cities of the United States in which syndicalists have obtained control of organized labor and are seeking to disrupt industry to further their plan of bringing on a revolution by which the workers might seize control of the government and of industry under a soviet system.

Seattle calls the plan by which it has broken the domination of the syndicalists over the industries of Seattle "The American Plan," because it is based on one of the first principles upon which American freedom rests: the right of every man to work as he wills, without interference or intimidation, so long as he obeys the laws of his country.

The American Plan is simply the enforcement of the open shop in industry with full recognition of the rights of employees to organize, to bargain collectively, to receive just pay for their work and to have a voice in the settlement of all questions arising out of their employment. It is not antagonistic to labor unions and differs with them only when they seek to deny the constitutional rights of others in this land of equal opportunity.

Had the unions of Seattle remained under the conservative leadership which led them on a successful career for a number of years, the American Plan would not have been born in Seattle; had the unions followed the leadership of the American Federation of Labor they would not have ridden to the disastrous fall they have experienced in the last six months; but for several years back Seattle has been a center of intrigue of those syndicalists of the labor movement who have been seeking to disrupt the American Federation of Labor and substitute for it the "One Big Union."

These syndicalists "bored from within" until they obtained the control of the most powerful unions of the city. Defying the American Federation of Labor, they called strike after strike until the employers of Seattle, in desperation, realized that the only way they could break the domination of these radicals over Seattle industries was to break their monopoly of employment; to throw their plants open to all comers, regardless of whether the applicant for a job belonged to a union or not.



The man who led the fight—Frank Waterhouse, president of the Associated Industries of Seattle

And that is what has been happening in Seattle for the last six months.

Whenever a strike has occurred or a union has broken its contract with an employer, the open shop has been established and employers are determined to make no more "closed shop" contracts with labor unions.

The success of the American Plan has curbed the power of the radicals who were the cause of so much industrial disturbance in Seattle. Their domination over industry has been effectually broken and in Seattle industries there is comparative peace and increasing production.

To understand the Seattle situation one must go back to the general strike of February 8, 1919. The general strike was called in the name of organized labor, but it was not an organized labor movement. Had it been, it would not have been so easily quelled and Seattle's streets would have in truth "run red with blood," as planned by the more radical of the revolutionists. It was called by revolutionists who had obtained control of organized labor in Seattle with the aid of the I.W.W. and the "red" element which had flocked to the city seeking the haven of the shipyards and other war industries in the days of the war and the draft.

Some thousands of these "reds," the offscourings of the country from as far east as the Atlantic seaboard, flocked to Seattle during the war. They worked into nearly all the unions in numbers, for under the stress of war necessity for production the bars were down. They had plenty of time to attend union meetings, while the conservative, home-loving men who formerly had formed the backbone of Seattle's industries preferred their own firesides to the atmosphere of the Labor Temple. As a result, the radicals obtained control of the labor unions as far as officers and official actions were concerned. They had the power to call out most of the workers of Seattle in a general strike, but they did not have the power to lead them into the revolution which they had planned.

Because the rank and file of union labor in Seattle was loyal and gave at most only passive support to the general strike, that stirring incident was not followed by the union-smashing program which might have been expected as the natural reaction of a community that had been terrorized for four days by a general strike called in the name of union labor. Many employers, in fact, advocated immediate declaration of "open shop" in Seattle, but community resentment was directed toward the leaders responsible for the strike and toward their daily organ, rather than against the unions themselves. The outcome was an insistent public demand that the unions "clean house" of those responsible leaders who did not leave the city when the strike collapsed.

One thing the general strike taught the employers of Seattle—the need of a powerful organization to protect the employers and the public and at the same time to provide a square deal for the workers. For years the employers had been acting with little cohesion,

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with the result that wages in practically all lines in Seattle had reached the highest levels in the land, apparently without producing general satisfaction among employees and without preventing demands for further increases unfair both to the employers and the public. The first thing Seattle did was to meet that need.

Immediately after the general strike the Associated Industries of Seattle was organized with Frank Waterhouse as president. Because of his large interests in shipping and industry in Seattle, Mr. Waterhouse might be classed as a capitalist. He is a man of keen sympathies and broad vision, however; a man who recognizes no class in America and who appreciates fully his obligation to those who work for him, or "with him," as he prefers to put it.

The Associated Industries was not organized as a defensive institution, but as a movement to cultivate closer relations between employers and employees, with "a square deal" for its motto. Its course was laid in the hope that organized labor would clean house of the radicals and that an understanding between employers and employees could be brought about which would eliminate radicals from the offices and control of the unions and eliminate the sabotage and strikes which so largely curtailed production and increased production costs.



Tracing the ribs for wooden ships, a familiar sight in the shipyards of Seattle

THE SPIRIT of the Associated Industries appealed to the employers of Seattle, and its membership rapidly grew to a point where it embraces practically all the large industrial plants of the city and many of the small ones, besides a liberal number of professional men and business men who are not large employers of labor. It now numbers nearly 2,000. The organization made a consistent and sustained effort to win the unions over to sanity and co-operation, but the usual wall of distrust and suspicion barred its progress. The unions failed to clean house; the radicals remained in control; the revolutionists continued to plot.

Last summer Mr. Waterhouse learned that the radicals, realizing the futility of the general strike because it arrayed the public against them, planned to accomplish their end in a more insidious way. They planned to call out the workers in one industry after another and keep them out until industry was brought to a standstill; until the public suffered to such an extent that it would demand the nationalization of industry, or the employers, in desperation, would turn the industries over to the workers.

To make sure that these strikes would not be settled, the leaders were inciting their followers to demand exorbitant increases in wages and changes in working rules which would practically put control of the industries in the hands of the workers; demands which the employers could not grant and which they would be sure to fight to a finish. Needless to say, the radicals did not take the rank and file of labor into their confidence as to the scope of their plans, for the rank and file would be the first to suffer and therefore the first to protest.

In August confirmation came in absurd demands by carpenters and other workers in the building industry, and equally absurd demands from journeymen printers, closely followed in September by similar demands of the tailors, dyers and cleaners and other craftsmen, and talk of new demands in many other industries. It was then that the members of the Associated Industries began to realize that their plans for peaceful penetration had failed, for the time being at least, and that the employers and industries of Seattle were confronted with a fight for life. The plot was fully exposed in September by the repeated refusal of the striking carpenters, printers, tailors and other craftsmen to submit their demands to any form of arbitration.

The arrogant stand of the strike leaders was all that was needed to convince Mr. Waterhouse that the employers of Seattle could not further deal with organized labor so long as it was led and controlled by I. W. W.'s and Bolshevists masquerading as Americans. As the conservative majority of organized labor had failed to clean house, the Associated Industries undertook to clean house for them. To do so, its members had to establish their own independence; had to establish their rights to hire and discharge their own men. The answer was the establishment of the "open shop."

Mr. Waterhouse called the 100 trustees of the Associated Industries together and explained the situation threatening the industries and future of Seattle—explained the need of immediate help for the industries struggling against strikes; the need of a campaign to arouse the people of Seattle to the necessity of breaking the radical domination over organized labor; the need of funds to carry on the work. Somebody moved that the doors be locked and in four minutes the meeting raised $105,000, the nucleus of the fund with which Seattle is fighting the radicals, backed by the funds of the Seattle unions.

To the credit of the international unions be it said that, up to this time, they have repudiated the Seattle strikes and have withheld strike benefits.

Immediately the Associated Industries came to the aid of the Master

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Builders' Association, the Employing Printers' Association, the Seattle Merchant Tailors' Exchange, the Dyers and Cleaners' Club and other groups of employers involved in strikes. This aid at first took the form of financial and moral support. Later it extended to an intensive publicity campaign which aroused the people of Seattle to demand that the rule of the radicals come to an end, and that the open shop be established so that the unions could not monopolize employment in Seattle to the exclusion of many returned soldiers and sailors and other American citizens not members of organized labor.

The first advertising, full pages and smaller spaces in the three loyal Seattle daily newspapers, began on October 2. The advertisements detailed the impossible demands made by the building trades and other unions and explained their effect, if granted, on industry, on rents, and on other living costs. They described the attempts of the radicals to gain control of these industries; of their refusal to arbitrate; of their insistence that the demands be granted as they stood, in spite of the fact that the strikers, at the time they went out, were receiving practically the highest wages in their lines in the United States and enjoyed working conditions far in advance of the average.

On October 14, the Associated Industries published a page advertisement in each of the three newspapers announcing that the Master Builders' Association, with the backing of the Associated Industries, had adopted the "American Plan" of conducting that industry; that it had established the open shop. The advertisement further declared that the Associated Industries would support with all its resources those employers in any industry who were forced to declare for the open shop by the refusal of striking employees to arbitrate unreasonable demands.

The organization of the printers, dyers and cleaners, pile drivers and tailors, followed with American Plan declarations and the fight to break the power of radical leaders by smashing their monopoly of employment was on in Seattle.

On the basis of this presentation the Associated Industries requested action from the various civic, commercial and industrial organizations of Seattle. Supplied with an "open shop" declaration previously made by Toledo organizations, Mr. Waterhouse addressed meetings of Seattle organizations and presented this declaration, modified to fit local conditions, for adoption. The Chamber of Commerce and Commercial Club led off in what was virtually a unanimous endorsement of the declaration; unanimous on the part of the trustees, and supported by a referendum vote, more than 99 per cent in accord. The other organizations followed suit with virtually the same unanimity until all the influential organizations of the city were on record as backing the fight to free Seattle's industries of radical domination.

THE real publicity campaign began on October 29, when the first of a series of twelve page advertisements, supplemented with smaller spaces, appeared in the three daily papers. Under the heading, "Remove the Barrier," the Associated Industries told how the industries of Seattle were being slowly strangled, new population and new industries being driven away and the future of the city being imperiled by the sabotage, the restriction of output, the increase of production costs and of living costs in the city, resulting from the domination of labor by radicals. It appealed to the people of Seattle for support of a movement to supplant radicalism with Americanism.

The following day "The American Plan," or open shop, was explained. The next page advertisement urged Seattle employers not to reduce wages until living costs were materially reduced. The purpose of this advertisement was to show labor that the object of the Associated Industries was not to grind down labor as charged by the daily organ of Seattle union labor. The fourth page advertisement detailed a startling example of the method of threat and intimidation by which the union leaders were seeking to win the strikes.

On November 3 appeared the first answer to the appeal of the Associated Industries to the people of Seattle to "Remove the Barrier." In a page advertisement headed "Seattle Shall Progress," the Seattle Chamber of Commerce and Commercial Club announced its adoption of the declaration on the open shop presented by Mr. Waterhouse, publishing the declaration in bold type. The advertisement was signed by all the officers and trustees of the organization.

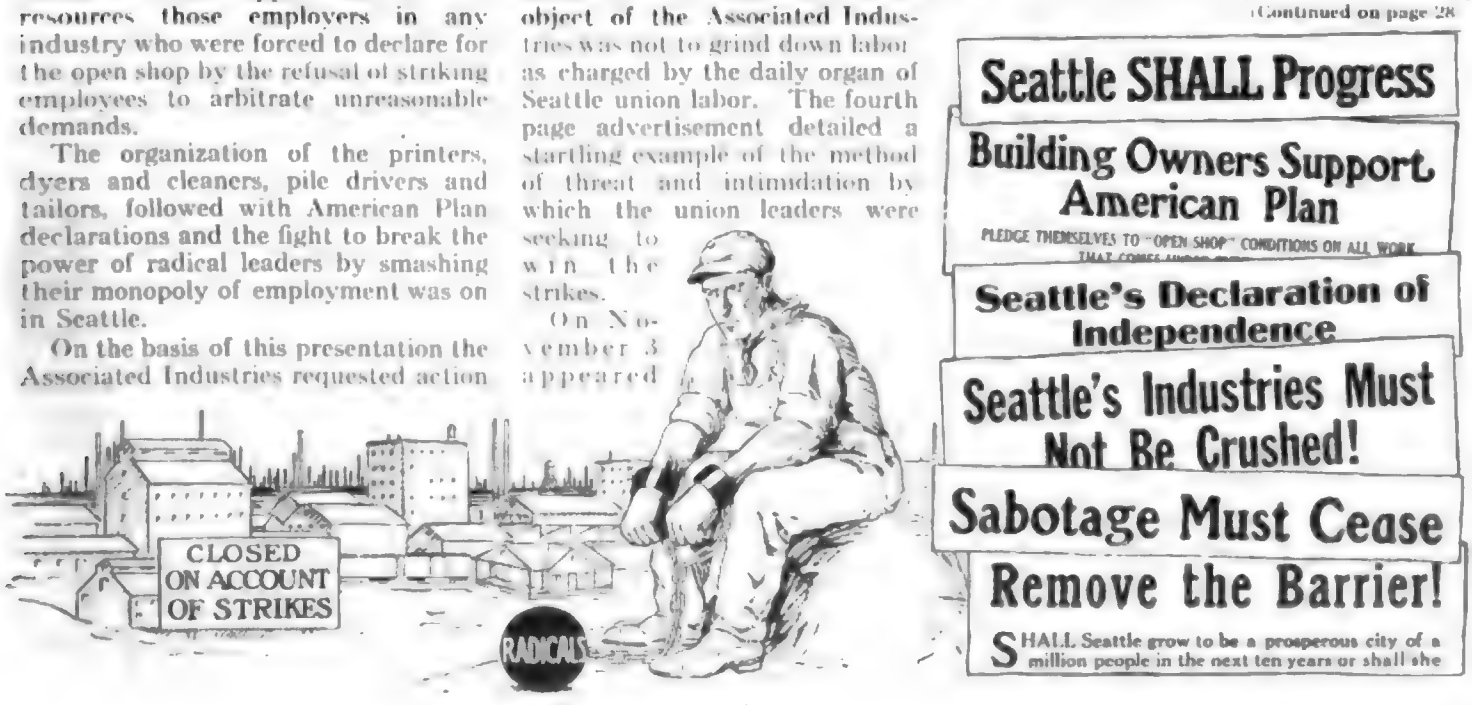
"Rotary Stands for Americanism" was the heading of the page appearing the following day, an ad in which the Rotary Club of Seattle endorsed the open shop and republished the declaration. "Seattle's Industries Must Not Be Crushed" declared the Merchant's Exchange in a similar advertisement on the next day. "Sabotage Must Cease" declared the banks of Seattle in a page carrying the signatures of the officials of twenty-eight banks.

"We Shall Be Free Americans" declared the Kiwanis Club, the One Hundred Per Cent Club and the Young Men's Business Club in a joint advertisement. "Seattle's Declaration of Independence," signed by the Waterfront Employers' Association, Seattle Real Estate Association, Wholesale Grocers' Association, Seattle Association of Credit Men, Seattle Produce Association and Seattle Merchants' Association, was the next.

These page advertisements, appearing daily in the Seattle newspapers, created a sensation. The public reaction was immediate. In a city where public opinion for years had strongly backed the unions, the public condemned the unions for their radical leadership and actions and demanded the open shop.

The result was by no means entirely

(Continued on page 28



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Little Giants of Adcraft

Many a Single-Column, Three-Inch Ad Dominates a Page by Its Bold Display and Original Copy

By MAXWELL DROKE

THE Storekeeper was perplexed. He wanted to advertise. He felt that he ought to advertise. But he didn't quite see how he could manage it. His tiny shop was on a busy thoroughfare of a great eastern city. It was one of those conventional little stores that it is much easier to overlook than to find. On every side loomed the great establishments of competitors. With these powerful institutions using double-page spreads, pages and half-pages of advertising daily, the prospect seemed scarcely promising for our friend the Storekeeper.

"It is an impossible situation," he declared desperately.

"Not at all," responded the Advertising Man. "There are thousands of retailers all over the country who are in exactly the same position you are in today. From a space-buying standpoint they cannot compete with the 'big fellows.' Yet they can profitably advertise. Because, fortunately for the small retailer, the success of an advertisement depends more upon what goes into a space than upon the actual size of that space."

And the Advertising Man was right. For many a single-column, three-inch ad has dominated a page of more pretentious offerings.

But such advertisements don't just happen. They are built very carefully and deliberately to dominate. Any retailer who devotes the necessary amount of time and thought to his small space can make the tiny ad bring results which will startle many a user of big space.

It isn't necessary to spend a hundred thousand dollars a year in advertising in order to "make a stir." The truth of that statement has been proved again and again. Take the case of Sharp Stevens, for example.



Stevens couldn't even afford to use "big" little space. He ran a tiny cutlery shop over on Prospect avenue, in Cleveland. The business wouldn't stand much expense. But Sharp wanted to advertise. He knew it was the only way to build up a good volume of business. So he called in a solicitor for a local newspaper. They talked things over. "How much space?" asked the newspaper man, pencil poised above his order pad.

"Half an inch a day, every day in the year," was Stevens' prompt reply.

By buying Cutlery from Sharp Stevens you buy it better, by gosh. 615 Prospect

The newspaper man protested. Such a thing was unheard of. The smallest space on record was one inch.

"It's all I can afford," Sharp rejoined. "Take it or leave it."

They took it. And Sharp Stevens was confronted with the job of filling that daily space. He wasn't an advertising man. Which probably was fortunate. So he began putting his own personality into that half-inch copy. Soon the folks of Cleveland began to sit up and take notice. Everybody fell into the habit of looking for the bright, crisp ten- or twelve-word announcements such as "Sharpening razor blades is a little job that Sharp Stevens does in a big way," or "A Yankee edge on a German knife, to cut French bread, did by Sharp Stevens."

It has been nearly six years since Sharp Stevens signed his first newspaper contract. Ever since that day he has stuck religiously to his half-inch space, and his business has flourished.

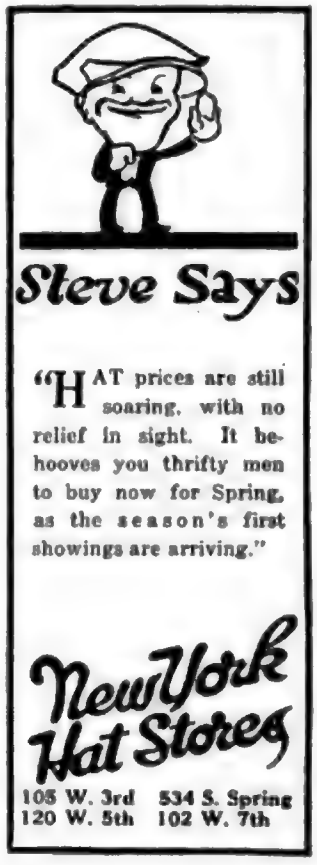
Advertising has paid Stevens. It has brought folks to his store. And it will do as much for any retailer who has a real idea, and presents it in an original way.

Originality! If ever it was needed, it is in small-space campaigns. Sometimes sheer size will get the big-space message across. But about the small ad there must be something different—something not only different, but distinctively different, or it will be lost in the maze of competing announcements.

And the advertising of Anton Delkin out in Seattle certainly meets the specification. Anton is long on originality, as you will note by the specimen advertisement here reproduced. Delkin sells nothing but nuts and nut candies. Starting with an humble little shop, he has built up a Seattle institution in a very few years. And his distinctive advertising has played a big part in that remarkable success.

Not all of his unique advertisements are devoted to the sale of nuts. This particular one, you will note, features a meeting of local credit men. Delkin is always giving his friends a boost in his copy, and his unselfish attitude has won him a host of loyal supporters. Everybody in Seattle looks for the funny little nut house, and the sprightly copy set in typewriter type.

Of course no other advertiser will wish to directly copy the style of this advertisement. But the layout has tremendous possibilities for the man who wants to turn out a bit of distinctive copy. There are many variations of the cartoon, which have scarcely been touched upon in retail advertising. And the typewriter type idea has been adopted by only a very few merchants. If used judiciously it is still very effective.



The advertisement of the New York Hat Stores, of Los Angeles, represents another effective use of the cartoon in retail copy. The copy here is so inviting and easy to read that most newspaper readers take a moment to glance over it each morning. Another thing: note the distinctive logotype of the firm name. This makes the advertisement

much easier to identify. If I were a retail merchant, no matter how small my advertising space, I would have an attractive logotype made up, and use it in every ad.

In our study of dominant advertisements and how to produce them, nothing is more important than a careful consideration of white space. The advertisement writers of a generation ago considered it little short of sacrilegious to leave even as little as a quarter of an inch of unused space in a full-page ad. But that sentiment has changed with the years. "Wasting" white space has now become an art. We have come to realize that this unused space often has more pulling power than even our most compelling phrases.

A spot of white, relieved by a dash of black, if not overdone, will make an



advertisement stand out on the page like a sore thumb. As an example in point, turn to that Carter-MacDonald-Miller advertisement. The composition here is a little too "spotty" to be ideal. The logotype is out of proportion. But just see how that big black exclamation point, set at a striking angle, and surrounded by a field of white, pulls the whole thing out of the rut of the mediocre.

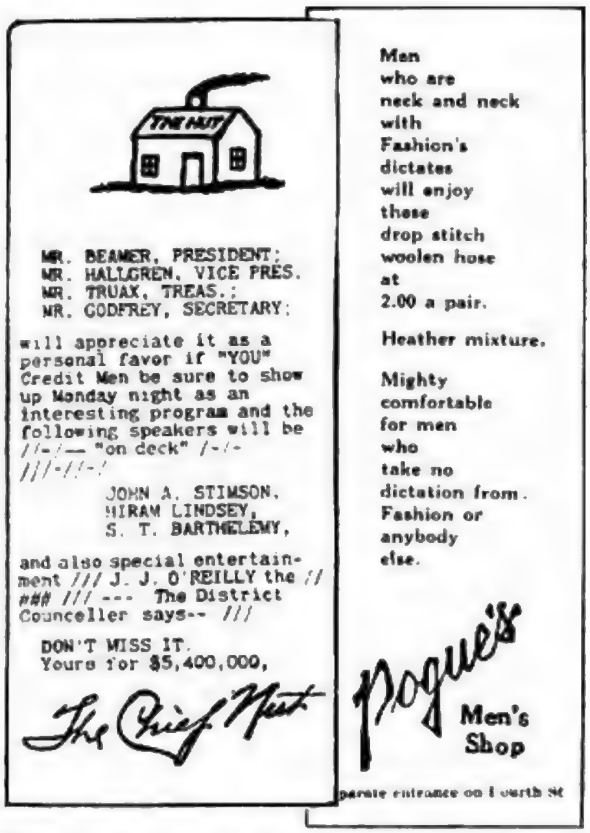
Another fairly good use of white space is represented in the Wilkes Theatre advertisement. This simple advertisement stood out boldly in a crowded page of theatre announcements. And all because of half an inch of white space on the left-hand side. Any printer can duplicate this ad in a few minutes. It requires no more time than to set an ordinary "business card." The secret lies in making the most of what you have.



For "standing copy" the Loftis Brothers type of advertisement has decided possibilities. This method is almost as old as the hills, but is still holding out as a ready eye-catcher, where only a few words of copy are used. This white-on-black effect is obtained by what is known as "reversing the plate." Simply take your ordinary black-and-white sketch to the engraver, marking dimensions of cut desired, and tell him to give you a reverse plate. The disadvantage here is that an entire new cut is necessary for each change in copy, which makes the process a little expensive, as most small newspaper advertisements are set by hand or linotype to meet daily requirements.

But the use of small space is by no means restricted to the little shop. Even the great department stores are beginning to appreciate the fact that the distinctive tiny ad pays much larger proportionate returns than the old, humdrum page spread.

Among those who have Christopher Columbus-ed into the new world of small space may be mentioned the H.& S. Pogue Company, a large Cincinnati department store. The advertising department of this store has borrowed an idea from the magazines, and adopted the free verse style of presentation. "Short lines and snappy" is the rule in their small-space ads. And the copy, thus treated, is so out of the ordinary and readable that people simply can't resist the temptation to read every word of it. Which is exactly what the Pogues desire. There is room for a few more converts to the free verse style. But here's a warning: watch your copy. You've got to do more than list your merchandise if you are to make effective use of this form of publicity.



In fact, "watch your copy" is a mighty good all-around admonition. For when all is said and done, the success of your campaign hinges largely upon the words you use, and the way you use them. You may startle a man into reading your advertisement, but if you don't convince him, if you don't make him want to trade with you, you really have accomplished nothing.

Get the sales element into your copy. How? By the simple expedient of telling what you have to sell, and why the customer should buy it. Be specific. And avoid such meaningless phrases as "your patronage appreciated," "plain and fancy groceries," "highest quality, lowest prices," and any others that are hackneyed.

Don't try to sell everything in stock at one time. It can't be done in a three-inch ad. Better take a single item, as Pogue's have with their woolen hose, and present it in interesting form. Then tomorrow, or next week, select another item, and feature it in the same way. But use care in selecting your leaders. Be sure that the offering is timely and that the merchandise has a wide appeal.

Here is another "don't"—and a vital one: Don't try to be clever! If you can get a whimsical touch, an undercurrent of subtle humor into your copy, you are indeed a fortunate mortal. But shun the slapstick, the word-juggling, and the "funny" joke.

Just be a normal, every-day human being. There is no reason why your personality should vanish when you pick up a pen. Remember that an advertisement is merely a sales-talk on paper. Forget formal phrases, and windy words, and just talk to your customer as if he were seated across the desk from you, listening to every word.

The more human and natural you can make that copy, the more effective it will be.

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"Tested in Our Laboratory"

Is This Sheepskin or Horsehide? Is This Cloth All Wool? The Test Provides the Answer and Backs Up the Guarantee

By J. K. NOVINS

FOR the first time in the merchant's business experience a tragedy had turned out to be a blessing. Fire had destroyed his store. But it had saved his business reputation. The merchant related the incident as he sat in the store laboratory, keenly watching a strength test on a piece of textile.

"I suppose you think this a strange place to find a business man during business hours," he began. "But I'd rather be here than anywhere else in the store. Many a time I invite my customers here to show them how they are protected on their purchases. They generally come away with the feeling that my guarantee is absolutely gilt-edged.

"The testing laboratory is my store's best salesman.

"But to return to the fire I was going to tell you about. Some time ago I bought up a stock of expensive silk shirts. It was a pretty lot, each shirt selling for as high as $15 and $16. There were a lot of fancy ones with colored stripes. I had not yet had a chance to put them on the counters when fire broke loose in the store.

"The flames, however, did not reach the stock of silk shirts. I discovered that much on my visit to the store after the fire. All of the silk shirts, however, were ruined. Contact with water caused the fancy colors to run off in a liquid stream. And the people who sold me the lot had guaranteed that the color would 'stick.'

"It took an expensive fire to prove that they lied. Imagine what would have happened had I sold those shirts to my customers. The first washing would have proved that my guarantee was a pure bluff. Many customers would have returned and angrily demanded their money back. The thing would have got around. That would surely have ruined my business reputation. The fire saved me from that. It was costly enough, to be sure, but the loss amounted to mere dollars and cents, while no insurance company could have made good for the resulting loss in business reputation.

"Since that time I have been depending on a testing laboratory to test every article bought by the store buyer, and the expense has been fully compensated by increased prestige and sales."



For testing the durability and finish of materials, Bannon Brothers Company, Inc., of St. Paul, employs a friction machine operated by an electric motor. A block covered with sandpaper, canvas or muslin rubs rapidly back and forth over a track which holds the material undergoing a test. Material of average weight and quality should endure this friction for three minutes without breaking

It was only comparatively recently that retail, as well as manufacturing, establishments began to realize the necessity of maintaining testing laboratories. Department stores especially have seen in this innovation a sure means of winning the confidence of the customer. Aside from protecting the stores from purchases of adulterated products, the laboratory serves another important purpose. The fact that a laboratory of that kind forms part of the store organization serves as the best advertisement for the integrity of the store's guarantee.

For some time the buyers at John Wanamaker's were accustomed to send samples for testing to outside laboratories equipped for the purpose. In time they found it more convenient to have such a laboratory near at hand. Ever since the laboratory was installed at Wanamaker's, several years ago, the buyers have been greatly aided in buying goods of high quality and the danger of misrepresenting quality to the consumer has been eliminated.

More recently such department stores as Gimbel's and Altman's in New York and Filene's in Boston, have followed the lead. Well-paid laboratory experts employed by these stores test the qualities of goods before the goods are placed on the counter. The operation of these store laboratories is no longer a mystery to the enterprising merchant. In fact, it is the fastest growing movement in merchandising today.

Standing out in contrast are the expensively-equipped laboratories of the mail order houses, representing large capital investments, and the insignificant-looking laboratory equipments of a small number of specialty stores. But in both instances the same purpose is served with an astonishing degree of satisfaction.

Probably the greatest progress has been made by the mail order houses. At Sears, Roebuck & Co., Chicago, there is a testing laboratory for each department. The textile laboratory, in fact, enjoys a nation-wide reputation. It is estimated that from 1,500 to 2,000 clothing tests are made in this department daily.

Mail order houses have gone even farther than that. In their desire to win the confidence of the far-distant customer they not only have fitted up elaborate laboratories where every article described in the annual catalogue is subjected to a thorough laboratory test, but they have begun a campaign to educate the consumer to conduct these tests for himself.

The National Cloak and Suit Company, which conducts an extensive mail order business in women's wear, for several years has been advertising simple chemical tests by which customers can determine for themselves whether the articles bought by mail measure up to the catalogue description.

For a long time the Eaton Company, Ltd., the famous Canadian mail order house, has been known the world over for its gilt-edged sales guarantee. Every Eaton advertisement carries the following crisp message: "THE EATON GUARANTEE: Goods

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satisfactory or money refunded, including shipping charges."

Eaton's maintains one of the most elaborately-equipped laboratories of the kind in the world. Without exaggeration it may be said that Eaton's laboratory can test anything from an automobile to a toothpick. Since this laboratory was established in 1917, hundreds of merchants have traveled to Winnipeg from the four quarters of Canada to study its operations.

Included in the Eaton laboratory testing apparatus is a high-powered microscope capable of magnifying as many as 1,200 times. Several lenses, each capable of magnifying 2,000 times, will be added to the equipment in the near future. The microscope is used very extensively in examining textiles and other products.

A CORPS of research experts, under the direction of F. Pugh, director of the Eaton Research Bureau, is constantly at work examining samples of shipments to determine whether the quality of the merchandise is the same as the original samples submitted by the manufacturer. It is the iron-bound Eaton policy that the quality of the product must conform in every detail with the catalogue description.

"Honest advertising is our aim," is the Eaton maxim. This policy has been made possible by the testing laboratory, for all Eaton advertising matter is checked up and anything which might prove misleading is instantly corrected.

"All direct statements are challenged and the goods are tested or analyzed," Mr. Pugh explained. "We find it keeps up the standard of our merchandise. It protects the customer and also acts as a check on manufacturers."

Were Mr. Pugh to lead you through the laboratory he would point with pride to at least four sets of apparatus employed in testing various articles. One is the Mullin tester, a delicate machine used to test the pressure and strain that cloth and paper will bear. Another is called the chemist's balance. This little instrument is sensitive to the thousandth part of an ounce and is very essential in chemical analyses. Beside the high powered microscope, there is the distillation apparatus, used in analyzing flavoring essences, patent medicines and foodstuffs, and the electric furnace to melt down metals to determine their chemical compositions.

There is a specially-constructed electric oven for moisture tests in textiles and foodstuffs, and also an electric furnace for ashing foods, metals and other commodities. Then there is a torsion balance to get weights of materials per square or lineal yard from a two-inch square sample, a viscosimeter for determining the degree of viscosity and for revealing flash points in oils, and an electric extractor for extracting fats, oils, resins and other chemical ingredients.

The laboratory experts employ a micrometer for fine measurements. With this machine they can determine by the diameter of the hair-root follicle whether a leather is made of horsehide or sheepskin. A cloth-testing machine reveals the tensile strength of materials of various kinds, including paper. Besides, there are machines to test the strength of thread and yarn, and a machine to determine the number of twists per inch in threads, yarn and other textiles.

"We have under construction a machine with which we will be able to test the relative wearing quality of anything from silk to sole leather, and even of some metals," Mr. Pugh explained. "This is a machine we have long felt the need of, so we are looking forward with great interest to the time when we will have it set up."

Besides testing articles advertised in the house catalogue, the Eaton laboratory experts test store supplies. Milk for the store restaurant is tested and the man who supplies it receives daily copies of the tests. As a result he must take pains to keep up the standard of the supply. Typewriter ribbons are also tested, so the company knows those that give best service. A test on wrapping paper recently revealed that 10 per cent could be saved by getting a thinner paper with greater yardage to the pound, but with equal tensile strength.

To cite another interesting instance: Some time ago the firm was experiencing trouble because routing coupons would not hold. Evidently the paste was not giving proper service. A laboratory test showed that the trouble was not due to the paste, but to the improper mixing of the powder by different people; the paste should have been mixed at a certain uniform temperature. As a result, a proper central mixer was installed and the trouble was eliminated.

THE laboratory does its best work, however, in protecting the store and the customer. Mr. Pugh could relate an endless number of instances of laboratory tests that not only have saved the reputation of the house, but also have resulted in saving large sums.

"A zero-proof antifreeze was largely advertised to do all one could possibly wish or expect from an antifreeze," said Mr. Pugh. "The price was 50 per cent higher than that of competing lines, a fact which suggested a superior product. We analyzed a sample and found it a fraud which would ruin radiators. Our auto department consequently did not handle it, and thus was spared many complaints.

"A leading laundry received a complaint regarding the shrinking of underwear bought at Eaton's. In a batch of fifty this was the only piece that shrunk, so the laundry disclaimed responsibility. We showed the laundryman microscopic photographs of various grades of wool, explained the



These are not silk looms, but part of the testing machinery in the laboratory of John Dunlop's Sons, New York. This test is to determine whether the silk will "run"

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difference in construction and convinced him that he must wash wool in different batches according to the fineness or coarseness of the wool. Since that incident we have had no trouble from this source, as the laundry is now sorting and washing as we suggested.

I COULD mention many more interesting experiences of our testing laboratory, but the following are the most characteristic. A customer complains of underwear being 'rotten.' We examine it and discover lumps of soap which we analyze and find to contain strong alkali content. This is the cause of the trouble, for wool, when boiled in strong alkali, will dissolve. Although this is the customer's fault, we replace the garment with instructions how to wash wool. We thus save a customer.

"A manufacturer makes extravagant claims for a new type of oil lamp. We test it and describe it in our catalogue according to our own findings. It proves a big seller and entirely satisfactory. Had we described it exactly as the manufacturer did we should have had complaints.

"A transportation company refuses to accept our claim for damages for Japanese silk goods damaged by water. The company blames the shipper. We find that the watermarked part of the cardboard container has a high content of salt, while the part that had not been wet shows no salt content. This is conclusive evidence of damage in transit. Our claim is accepted.

"A case full of painted rubber balls from Europe is damaged. The paint is cracked and peeled. We find that peeling is caused by 120 degrees of heat, but by no other test. Hence the damage was caused by proximity to boilers or steam pipes. Our claim is accepted."

A year ago James W. Fisk, general manager of Bannon Brothers, Inc., St. Paul, visited Winnipeg and was so impressed with the Eaton laboratory that on returning to his store he established a similar laboratory, although not on so large a scale. It was installed in the textile department of the department store and was placed in charge of a graduate of the University of Wisconsin.

Articles bought at other stores in St. Paul may be brought to Bannon's for testing. There is no charge for this service. Bannon's has thus won over many new customers. Recently a woman brought to the Bannon laboratory a suit of underwear bought in another store.

"They charged me $2.50 for this," she said. "The saleslady told me it was 75 per cent wool."

It did not take very long for Miss Vera Dixon, director of the laboratory, to discover that the suit of underwear was only 30 per cent wool. The woman thanked Miss Dixon for the information and is now one of Bannon's best customers.

Every piece of goods or garment sold at Bannon's bears a blue tag. On one side of the tag is written, "TESTED IN OUR RESEARCH LABORATORY"; and on the other side, "All wool," "65% line, 35% cotton," "Cotton warp, silk filling," or whatever the composition may be.

St. Paul shoppers know that everything kept on stock at Bannon's is up to standard in quality. Every lot shipped by manufacturer or jobber is tested as soon as it is received; if it is not as represented it is immediately shipped back. Recently the store received a shipment of silk poplin, which apparently was all that the manufacturer had claimed it to be. But when the poplin was tested, the rice powder with which it was heavily loaded was washed out and the poplin looked like an ordinary piece of scrim. The entire shipment was returned.

Three different lots of men's bathing suits were placed on sale in the men's wear department. The prices varied from $2.50 to $1.50 a suit. But how was the customer to know that there were any material differences in the quality of the three suits? The "TESTED IN OUR RESEARCH LABORATORY" tags told the tale. They said that one lot was all wool, one was 70 per cent wool, while the third was only 30 per cent wool. St. Paul shoppers needed no more convincing argument.

The Bannon laboratory is equipped to test not only for wool and cotton competition, but also for strength and ability of the dyes to withstand the action of the sun's rays. These tests are especially adapted to clothing store laboratories. They are so simple that anyone with a little practice can perform them.

IN the laboratory of the New York stores of Browning, King & Co., clothiers, the store buyer himself performs the tests. His office is equipped with a hand-operated machine to test the tensile strength of cloth, and with several other simple contrivances necessary for the work. Every piece of cloth received is tested by the buyer to determine whether it is up to the standard represented by the manufacturer or jobber.



Testing textiles in the laboratory of the Eaton Company, Limited

The first test is to determine the fastness of the color and for this purpose Mr. Shaw, the buyer, has had constructed a simple device consisting of two boards pressed against each other. One board is several inches wider than the other, so that when a piece of cloth is sandwiched between the two boards a portion of the textile is exposed to the sun. The device is then laid on the window sill or on the roof. At the end of a week or ten days the buyer can see whether the goods has a tendency to fade by comparing the exposed side of the sample with the side that was not exposed.

The next test is for tensile strength. This is commonly known in the clothing trade as the "grab test." The two jaws of the testing machine, set an inch apart, are adjusted to grab one inch of cloth. The buyer turns a hand wheel, which causes the two jaws to pull apart, thus stretching the piece of textile. At a certain point, depending on the strength of the textile, the weave begins to break. This is the end of the test. The operator glances at the dial surmounting the machine, and

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Educating the Charge Account

A Shoe Dealer Withholds Credit From Those That Abuse It, While a Coal Dealer Frankly Adds the Cost to His Bill

By JOHN LEE KING

CREDIT, so we are told, is the backbone of our national prosperity. The producer of raw materials extends credit to the manufacturer, who passes it on to the wholesaler, who accommodates the jobber, who "carries" the retailer, who "charges" it for Mrs. Jones.

All for the best, but—

Suppose Mrs. Jones isn't good credit, and credit of this kind predominates on the books of the retailer: he cannot pay the jobber, the jobber disappoints the wholesaler, and the wholesaler lets the sheriff settle for him with the manufacturer. It is the old story of the old woman getting the pig over the sty.

The retailer's credit to his customer has this difference from those credits extended along the line and finally reaching him: he extends consumption credit, which, by its very nature, is the poorest kind of credit. Of course, the greater proportion of his credit is accommodation credit, and this, while being "sure-pay" credit, has its drawbacks, too.

While it is comparatively easy for the retail merchant to refuse to extend credit to the customer who is not financially sound, it is harder for him to refuse it to a customer whose credit is sound, but whose method of using a charge account makes that account unprofitable.

Let us take the case of a woman buying shoes—on credit. She has a couple of tickets for the matinee, and she is in a hurry to get the transaction over with and be on her way. She looks at several pairs of shoes and finally takes a pair, knowing that if they prove unsatisfactory she can return them and they will be charged off. All she has to do to accomplish this return is to phone the firm, and the wagon will call for the shoes. Then when she is down town again, she can buy another pair of shoes at her leisure.

Confronted with this problem, and having determined that the return of three pairs of shoes on one account during the year made the account unprofitable, a well-known Chicago shoe store has worked out a plan whereby it aims to cure the evil.

The usual questions which are asked of one wishing credit in any retail shop are asked, and then:



"She looks at several pairs of shoes and finally takes a pair, knowing that if they prove unsatisfactory she can return them and they will be charged off"

"Why do you want this credit? Why do you not continue to pay cash?"

It is a store which caters to the higher class trade, which has the cash, consequently the answer almost invariably is:

"It is a matter of convenience."

If the applicant for credit happens to be one of peculiar frankness, he may add:

"—— in the exchange of unsatisfactory purchases."

And here the store takes up the offensive. It explains through its credit manager that it wants its customers satisfied, but that, alas, there is a peculiar psychology about credit which makes the credit customer more careless about satisfying himself before purchasing than is the cash customer. The credit manager admits that he extends credit not only as a matter of accommodation to the customer, but also as a business-getter for himself—but that such business, like all other that comes to the store, must be profitable or it is not wanted.

"If for example," the applicant is told, "you return three out of five purchases during the year, you will automatically be deprived of your credit privileges."

This knowledge has the effect, the credit manager says, of insuring more careful selection of goods before they are taken home, and has materially decreased the amount of returned goods. Customers understand that the privilege to charge is a privilege, extended only to preferred customers, and they show a desire to maintain the right by not abusing it.

The general effect of this plan is good, too. Credit, like every other service which the retailer provides for his customer, costs money, and this cost must be passed on to the customer. But where credit is extended merely on the basis of "sound" credit the cost is spread promiscuously over the entire list of customers; the person who respects his credit pays in part for the sins of those who abuse it.

Where the cost of credit has been figured closely enough so that the store knows it cannot permit more than a limited exercise of the return privilege, then the customer who is guilty is the one who pays the penalty of that guilt, and the credit customers as a class do not pay in excess for their credit. And this consciousness is an asset to the merchant who has the courage of his convictions and cuts short the credit privileges of the patron who abuses them.

Even the layman realizes that the public takes a different view of credit obtained from different classes of merchants. The man who would not think of letting his grocery bill slip over the first of the month may consider it perfectly ethical to let his coal bill run month after month. He may pay his electric light bill early in order to get the discount, and yet his tailor may suffer the proverbial fate of tailors. He may keep his lodge dues paid up because they carry an insurance value, and let the doctor who has saved his life, or that of his wife, wait impatiently for payment.

Homer Jones, of the Western Fuel Company, Chicago, has discovered that this custom works to his detriment. He has learned that customers will buy coal during the summer months, when it is cheapest, and pay for it, at this cheapest rate, late in the winter. Credit may often run five months, and yet not be of the nature called "bad" credit. Nor even "slow."

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Elastic Wages

How Index Numbers Enable the Employer to Adjust Wages to Rising Prices of Bread, Meat and Shoes

By
RICHARD HOADLEY TINGLEY

THE index number, as we commonly know it, is the sum or average of the prices of a large number of commodities more or less essential to our existence. If the index number is to be a faithful record of fluctuations, it is obvious that the prices of the chosen commodities must be assembled on certain periodical dates. The totals or averages obtained will thus indicate the average percentage of rise or fall in prices during a given period.

Index numbers have been in more or less constant use since they were first invented by G. R. Carli, an Italian, who attempted to discover by their use the effect of an abnormal quantity of gold money upon rising prices.

Carli's researches stimulated others, and we find frequent reference to index numbers both in European history of the eighteenth century and in our own colonial records. For example, Washington's army was paid in provisional notes the face value of which moved up or down according to the market price of a few essential commodities.

There are now maintained no fewer than five separate systems of index numbers in the United States: Dun's, Bradstreet's, Gibson's, The Annalist's and that of the United States Department of Labor. In England there are three, that of the "London Economist" being, probably, the oldest. Almost every other civilized country, too, maintains its own separate set or sets.

Index numbers have been used by statisticians, librarians, economists and historians in many ways for a century or more. In all of these uses, however, their influence is somewhat indirect, and their application belongs rather to the realm of the academician than to that of the every-day business man.

But with the war the business man has taken up the practical application of index numbers to business. The cost of living has been mounting. Wages had to be raised to meet it, but the raising of wages is not always desirable except when the higher figure can be maintained. Business, therefore, has devised a method of adjusting wages to rising costs of living, a method based on changes in commodity prices as revealed by index numbers.

BRADSTREET'S Index Number is the sum of the wholesale prices of one pound each of ninety-six commodities.

Dun takes about 300 wholesale quotations on the business day nearest to the first of the month and multiplies them separately by a figure determined upon as the estimated per capita consumption of each of the commodities. The results are then grouped under seven heads—breadstuffs, meats, dairy and garden produce, other food, clothing, metals and miscellaneous—and the grand total of group totals represents the actual cost of a given quantity of goods in the wholesale markets on the specified dates.

The following table shows how index numbers serve as a barometer in recording the fluctuations in commodity prices.

1919	Bradstreet	Dun
January	18.5381	230.146
February	17.6341	220.050
March	17.2244	217.037
April	17.2795	219.973
May	17.2376	222.193
June	18.0900	227.073
July	18.8964	233.707
August	20.0017	241.650
September	19.4720	238.342
October	19.5215	235.867
November	19.9026	238.573
December	20.1756	241.639
1920		
January	20.3638	247.394
February	20.8690	253.718

One of the first enterprises to inaugurate a system of adjusting wages to the rising cost of living was the Oneida Community, Limited, manufacturers of silverware, at Oneida, New York. The High Cost of Living Plan, as it was called, was put into operation in January, 1917. For a basis it went back to January, 1916, when a general advance in wages placed the employees in position to share the Community's prosperity.

An estimate based on the living expenses of a large number of families of differing sizes and incomes revealed the fact that during 1916 the cost of living increased 16 per cent. The company announced that each worker would receive an additional pay envelope every month thereafter, this envelope to contain the additional wage resulting from the new system. The additional wage would vary from month to month; every twenty points of change in Bradstreet's index number would be assumed as indicating a change of 1 per cent in the cost of living.

For thirty-six months these special High Cost of Living envelopes have been maintained. The index figures and extra rates of pay have been, month by month, as follows:

Month 1917	Index Number of Preceding Mo.	H. C. L. Percentage
January	13.68	16
February	13.73	16¼
March	13.93	17¼
April	14.13	18¼
May	14.58	20½
June	15.12	23¼
July	15.17	25
August	16.07	28
September	16.10	29½
October	16.64	30¼
November	16.91	32
December	17.07	32¼
1918		
January	17.81	36½
February	17.96	37¼
March	18.08	37¾
April	18.07	37¾
May	18.74	39¾
June	18.91	42
July	19.00	42½
August	19.18	43½
September	19.11	43¼
October	19.05	43
November	19.02	42¾
December	18.91	42¼
1919		
January	19.04	43
February	18.51	42½
March	17.63	36
April	17.22	33¾
May	17.28	34
June	17.21	33¾
July	18.09	38
August	18.89	42
September	20.00	47½
October	19.17	45
November	19.52	45¼
December	19.90	47¾

In the experience of the Oneida Community covering a period of two and a half years the H. C. of L. envelope has fully covered increases in the living costs of its employees and has given the Community great confidence in the practical value of the figures used. The employees have all felt that, however high prices of flour or potatoes might go, their wages would increase to cover the increased cost.

Last spring there occurred a substantial fall in commodity price-levels as reflected in the index numbers. This resulted in an automatic reduction in the size of the H. C. of L. envelope.

The Oneida Community reports that

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the employees accepted this reduction without a murmur as a matter of course.

A. M. Kinsley, general manager of the Community, says:

"The High Cost of Living plan was not designed to be permanent. It has served as a bridge to carry a much more ambitious plan of industrial partnership across the difficult period of war. Whether from it shall arise a basis for a permanent system of automatic wage adjustment, belongs to the future."

The Schwarzenbach-Huber Company, silk manufacturers, of West Hoboken, N. J., also uses the Bradstreet index numbers. It takes the index for one month and uses it as the basic figure, 100 per cent. An increase or decrease on that figure occurring during the ensuing months is figured as per cent of increase or decrease on the basic figure. For example:

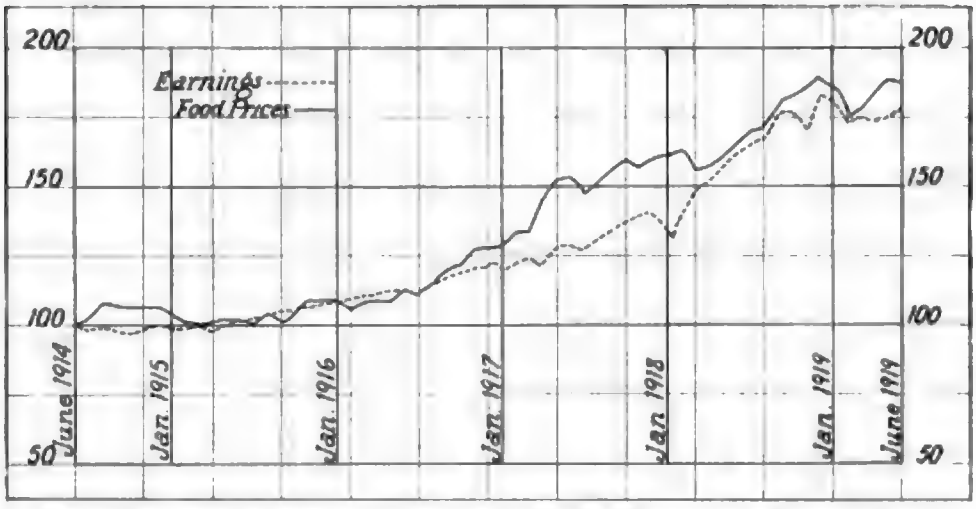
	Index
August, 1919	20 0017
Basic figure, July, 1919	18 8964
Increase	1 1053

$\frac{1\ 1053}{18\ 8964}$ equals 5.85%, the increase.

As the increase for August over July was 5.85 per cent, the employees received a bonus of 5.85 per cent. As Bradstreet's issue in one month covers the index for the previous month, the increase for any month is given in the following month.

Carefully avoiding the use of the adjective "high," Barker, Rose & Clinton, hardware merchants, of Elmira, N. Y., have adopted what they call the "Cost of Living," or "Index Number," wage plan. Omission of the word "high" paves the way towards self-protection when the inevitable drop in prices comes—as it will—some day. A. Clinton, of this firm, says:

"'The Cost of Living,' or 'Index Number,' wage plan seems to be a scientific solution of the wage problem: its success depends upon mutual confidence."



Graphic comparison of average weekly earnings in New York State factories with retail food prices. Based on figures from the Bureau of Labor Statistics

As the cost of living advanced, Barker, Rose & Clinton tried many modifications of the arbitrary bonus plan, but found each unsatisfactory. They finally adopted their index number plan based on Dun's system, and have been using it since July, 1919. Their plan works out something as follows:

Suppose an employee was receiving $25 a week during July. Dun's index number for July, 1919, was 233. By August 1 the index number had increased 8 points, or to 241. This increase, reduced to a fraction, is 8/233, or to a decimal, is .0343. The employee's weekly wage of $25 is multiplied by the decimal increase, giving a result of 86 cents. This particular employee's weekly wage for the month of August therefore was $25.86. In September, 1919, the index number of Dun had dropped to 238, or 3 points below August. This represents a decimal drop of .0124, which, multiplied by the employee's previous wage of $25.86, gave him for his September work $25.54 a week. This is a very simple plan and the hardware firm is confident that it has solved its wage problem.

The Union Bleaching and Finishing Company, of Greenville, S. C., has been using the index number system in wage adjustments in its factory for more than a year with satisfactory results. The executives are frank to admit, however, that they do not know exactly how the system will stand under a heavy price decline, but they feel quite sure if it were in universal use there would be no trouble when prices and wages fall.

Mr. R. W. Arrington, secretary, writes:

"We are using as a basis the Bradstreet index number covering not his entire list but his six first items which cover the necessities of life and articles which are used by everybody in every-day life. These six, as I remember them, are breadstuffs, provisions, fruits and produce, meats, hides and leather and textiles.

"We take as a basis the cost of living on January 1, 1916, and show a percentage over that figure of what the cost of living is today. We started by paying our people in two separate envelopes: one contained the basis of what they were receiving on January 1, 1916, and in another envelope the additional amount covering 95 per cent, 100 per cent, 103 per cent or whatever percentage of that basic figure the index number happened to show. We have discontinued the two-envelope system, however, and put all the money in one envelope, but insert slips showing how much money is represented by the index number."

At the head of the Index Visible, Inc., of New Haven, Conn., which makes visible card index systems, is Professor Irving Fisher as president. Since Professor Fisher occupies the chair of political economy at Yale University and is one of the advanced thinkers along economic lines, it might be expected that his company would have worked out a scientific method of applying index numbers to its wage problem. And apparently it has done that very thing.

Professor Fisher's company uses the index numbers of the United States Bureau of Labor Statistics. With this as a basis, to arrive at its own index number, it assumed that its pay-roll at the first of July, 1918, was properly adjusted to the price-level for the period of the first six months of that year. It therefore took an average of the government index numbers for that

(Continued on page 32)

Name John Browns

Index Visible, Inc.

High Cost of Living Envelope

The height of the high cost of living is indicated by an "index number" for the retail prices of foods, calculated each month by the U. S. Bureau of Labor Statistics.

The index number for December is 197 which is 24.7% above the average index number (158) for the first six months of 1918, taken by us as the standard.

H. C. of L. Envelope of the Index Visible, Inc.

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Trolley Rides at "Cost Plus"

Why Cleveland Enjoys "the Best Street Railway Service at the Lowest Cost of Any City in the United States"

By ARTHUR H. LARGE

THE high cost of street car riding became less high in Cleveland on December 16, 1919. At a time when other traction companies everywhere were either increasing their rates or going into the hands of receivers—and in some instances doing both—the Cleveland Railway Company lowered its fare from 5 cents cash or eleven tickets for a half dollar to 5 cents cash or six tickets for a quarter.

The Cleveland Railway Company is no philanthropic enterprise. It is a business corporation that pays a 6 per cent annual dividend to its stockholders, never has passed a dividend and is now prepared to increase the rate of its shareholders' return to 7 per cent.

Philanthropy was not the reason back of the action of this great corporation in making available to its patrons a saving of more than $40,000 a day. Judge Robert W. Tayler, now dead, wrote the reason more than ten years ago:

> It is agreed that a complete readjustment of the street railroad situation should be made upon terms that will secure to the owners of the property invested in street railroads security as to their property and a fair and fixed rate of return thereon, at the same time securing to the public the largest powers of regulation in public service and the best street railroad transportation at cost, consistent with the security of the property and the certainty of a fixed return thereon, and no more.

That is from the preamble of what is officially known as Ordinance No. 16238A, passed by the Cleveland city council December 18, 1909, but what has been named in Cleveland and so called throughout the traction world, the "Tayler Grant."

Acting as a private citizen, but as a citizen actuated by the motive of civic welfare, Judge Tayler wrote into his ordinance a declaration of street railroad principles for the city of Cleveland. Because that declaration still stands and because its principles are the foundation upon which Cleveland has built a greater transportation structure, the reasoning out of which that foundation was created is still pertinent. In an address before the city council six months before the Tayler Grant was passed, Judge Tayler said:

"I now hold, and for a long time have held, the conviction that the streets of a city belong to the community and not to anyone else; that they could not be acquired by anyone else; that as an incident to the proprietary interest of the community in the streets there must be provided methods of easy transportation of the members of that community and its visitors in those streets; and that you could not accomplish their suitable transportation except by the investment of large sums of money, upon which, in order to obtain it, there must be a fair return.

"And so we have two correlated rights—the proprietary interest of the city in the streets and the necessity that methods of transportation be placed in the streets, and the right of the persons who furnish that to have a fair return and no more, provided that they have the assurance of that fair return for the use of their money.



West Superior Avenue, Cleveland, looking eastward towards Public Square

"We have been going for a great many years on a certain theory of giving franchises for the operation of street railways in the community, all based upon a wrong view of the rights of both sides: so far as the people were concerned, the giving of a monopoly without suitable restraint; and on the other side such a condition of things that the necessities of their situation, the expiration of their grants at some time in the future, compelled them as business men to make the very best bargain they possibly could—with the result that scandal and injustice have, from the very beginning, characterized a large number of street railway enterprises in all the great centers of the country."

Cleveland has been no traction Utopia. The city has had its full share of "scandal" and "injustice." Into the tangled web of legislation and litigation, aims and ambitions, ideas and ideals have been woven the lives of men. It has made men and broken them—

Judge Tayler, who laid aside his judicial robe to write the Tayler Grant and whose name seems to have been immortalized, in Cleveland at least, by the work he did—

Tom L. Johnson, who came to Cleveland at the age of twenty-five to bid for the street railroad franchises, began with a bus line and added to his interests until he became a self-confessed monopolist and a rich man, read Henry George, consecrated the rest of his life—as he says in his autobiography—to the cause of the people, entered politics to materialize that consecration, served nine years as mayor of Cleveland, went to Congress, and died in comparative poverty—

Marcus A. Hanna, millionaire railroad magnate whom Johnson fought for years, who became a United States senator, was called by his political opponents the "boss" of Ohio and sat in the councils of the national Republican party—

Peter Witt, who went from the

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moulding floor in a foundry to take a portfolio in Johnson's first "cabinet," invented the Witt front-entrance-side-exit street car and is now a national figure as an authority on traction matters to whom other cities come for guidance.

WHEN Tom L. Johnson came to Cleveland in 1879 he found eight street railroads operating in the city. His fight to obtain control of public transportation began with his bus line and with his obtaining the franchise for the operation of a few blocks of track on a West Side street. To this holding—and it was a very literal holding, bitterly defended—Johnson added franchise after franchise and line after line. Meanwhile the companies operating became fewer in number and individually more powerful. Finally, at about the time that Johnson turned from traction operating to politics, the companies numbered three. Johnson was elected mayor on a platform of 3-cent fare—which, he declared, his experience as an operator had shown him to be feasible—and was serving as the city's chief executive in 1907-08 through the immediate developments that led up to the enactment of the Tayler Grant.

Johnson himself had a hand in shaping those events. He organized a semi-public holding company, known as the Municipal Traction Company, the directors of which were to serve without pay and to which was to be turned over all of the property of the Cleveland Electric Railway Company, which had been formed by a merger. A franchise, known as the Security Grant, was passed. Under the terms of this instrument the Municipal Traction Company was to pay 6 per cent to the Cleveland Electric Railway Company, and the latter corporation, in turn, was to apply these payments to the interest on its outstanding bonds, stock and floating indebtedness. The lease was made, the properties were turned over and the Municipal Traction Company began operating.

But the way of the semi-public enterprise was beset with difficulties. Labor troubles culminated in a strike of trainmen that tied up all lines. Revenues decreased. The climax came when the Municipal Traction Company defaulted on its payments to the Cleveland Electric Railway Company; and when the latter, in turn, defaulted on its bonds its trustee bank in New York promptly plumped the whole affair down before Judge Tayler by suing in federal court for receiverships for both the Municipal Traction and the Cleveland Electric. The receivers were appointed and valuations of the two properties were made.

Still the situation was unsettled and strife went on for nearly a year. Then the *Cleveland Plain Dealer* editorially expressed public opinion by suggesting that Judge Tayler's position and his familiarity with the conditions made him the man to make peace. Judge Tayler accepted the mission and wrote his franchise. Its central provision is his own, phrased in his own language. Some of its other provisions he adapted from other franchise drafts—one, notably, that had been prepared by Newton D. Baker, then a Cleveland attorney.

The central idea of the Tayler Grant was the best street railroad transportation at cost. Two major sections of the ordinance provided the mechanism by which this idea was to be executed. One of these sections established what was entitled the interest fund, and the other set up a schedule of varying rates of fare.

The interest fund was defined as including all the company's earnings from every source, above operating, maintenance and renewal allowances. The original amount of the fund was arbitrarily fixed at $500,000, which the company placed on deposit when the grant was passed. Fluctuations in the amount of this fund, brought about by changing conditions, were to determine the rates of fare. It was provided that, in order to ascertain the condition of the fund at any time, interest, dividends and taxes for a given fiscal year should be deducted from the total at a certain rate for each month, this rate varying from as low as 6 per cent for February to as high as 10 per cent for July and August.

The Tayler ordinance, as passed, provided for a maximum fare of 4 cents cash, or seven tickets for a quarter, with a charge of 1 cent for a transfer and a rebate of the penny when the transfer should be presented. Including this maximum rate there was established a schedule of ten graduated lower rates down to 2 cents cash fare.

When the interest fund should rise above its arbitrary level of $500,000, the ordinance provided, the fare should be lowered; and when the fund dropped below a half-million, the fare should be raised. On this point the ordinance read: "Whenever the amount credited to the interest fund, less accrued payments to be made therefrom, shall be less than $500,000 by the amount of $200,000, this shall be prima facie evidence of the necessity of raising the rate of fare to the next higher rate or scale"—and similarily, by the same margin of $200,000, for lowering the rate of fare. It was provided also that, should circumstances warrant such action, either the city or company could initiate a proposal to change the fare and that, in the event of a disagreement, the question could be settled by arbitration.

The ordinance reserved to the city the entire control of service. The municipality, through a street railway commissioner to be appointed by the city and paid by the company, was



"Since Christmas Day, 1917, there have been six changes in fares, all of them increases until the latest one"

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to fix schedules, routes and stops and dictate types of equipment to be used. It was provided, however, that the city might not require service to an extent which, at the maximum fare, would not produce enough money—to be credited to the interest fund—to make good any loss thereon and to meet all ordinary requirements.

"Certainty of a fair and fixed return and no more" for the company was established by these provisions for interest and dividend rates: (A) Five per cent a year on the total bonded indebtedness of the company, payable as provided by mortgages securing the bonds; this rate might include provision for amortizing the discount, if bonds were sold at a discount, but should not be in excess of 6 per cent on par. (B) Six per cent on the floating indebtedness. (C) Six per cent on the stock, payable quarterly.

The "capital value" of the company's system was defined in detail under three heads: the bonded indebtedness, which, at the time of the passing of the ordinance, was $8,128,000; floating indebtedness, which amounted to $1,288,000; and "residue" amounting to $14,675,600 and representing the total of capital stock fixed by the ordinance. Concerning increases in capital stock or indebtedness the ordinance provided: "The company may, without the consent of the city, issue and sell its capital stock or increase its bonded or floating indebtedness; but no increase in capital stock or bonded or floating indebtedness by the company shall be considered part of the capital value unless made pursuant to the provisions of this ordinance; or with the consent of the city. The par value of stocks or bonds sold for extensions, betterments or permanent improvements shall be added to the capital value. Stock must be sold at par. Bonds may be sold at a discount for the best price obtainable, and shall be payable on 90 days' call at 105 and accrued interest."

OPERATING and maintenance expenses—which would affect the level of the interest fund—were to be controlled, under the terms of the ordinance, by the city's allowing a certain amount per revenue-car-mile. This allowance, which was to provide also for renewals of equipment, was made flexible, to be changed as changing conditions should warrant.

Under the general head of purchase or transfer of the street railroad properties and the franchise, the Tayler Grant provided that when the unexpired term of the company's rights should become less than fifteen years, the company might elect to charge the maximum fare and assume complete control of the service—subject to the city's general police powers—under these conditions: that, if the net amount in the interest fund should be more than $700,000, the surplus above $500,000 should be applied by the company to reducing the capital value by the payment of the floating debt and of such bonds as could then be paid, and to creating a sinking fund; that the city—should it elect to purchase the system—or the licensee, in case the city should name a purchaser, was to be given the benefit of this reduced valuation in fixing the purchase price.

At the time of the enactment of the Tayler Grant, fare rate "E" of the ordinance schedule was placed in effect. This rate was 3 cents cash fare, 1 cent transfer charge, without rebate of the penny. This rate remained in effect until June 1, 1911, when a surplus in the interest fund lowered the charge to car riders to the rate of 3 cents cash fare, 1 cent charge for transfer and the penny rebate—and this was the lowest rate of fare in effect in Cleveland at any time since the grant was made. On September 1, 1914, original rate "E" was restored and remained in effect until December 25, 1917, when Cleveland received a "reverse English" Christmas present in the shape of the withdrawal of 3-cent fare—which never has been restored. Since Christmas Day, 1917, there have been six changes in fare rates, all of them increases until the latest one, which took effect December 16, 1919, and which consisted of a decrease from 5 cents cash fare, eleven tickets for a half dollar, 1-cent transfer without rebate, to 5 cents cash fare and six tickets for a quarter, with the same transfer arrangement.

Judge Tayler could not have foreseen the world war. Yet he did sense the possibility of greatly changed conditions affecting the street railroad business when he wrote his "best-service-at-cost" principle and when he said, publicly, at about the same time: "Philosophically, no franchise can be sold with propriety, either to the buyer or the seller, that fixes an arbitrary or inflexible rate of fare; and that is the vice of nearly all street railway ordinances, I suppose, in the communities in this country."

On July 1, 1918, when war prices and war wages had sent operating costs soaring, the interest fund had dropped to $106,000. On the recommendation of the city's traction commissioner the council enacted an amendment to the Tayler Grant, to remain in force until six months after the war should end, consisting of a war-time schedule of fares raising the maximum that could be charged to 6 cents cash, nine tickets for a quarter, with a charge for each transfer of 1 cent not to be rebated.

The Tayler Grant, as originally passed, was to have a tenure of twenty-four years, or until May 1, 1934. On April 8, 1919, the city council renewed the franchise for twenty-five years, extending its life to May 1, 1944, but making no material changes, either in its basic principle of "service at cost" or in its other major provisions. And in July, 1919, by action of the council the war-time amendment enacted in 1918, raising the maximum limit of fare, was made a part of the twenty-five year renewal.

LAST year the Cleveland Railway Company sought permission of the city to increase its rate of stock dividend from 6 to 7 per cent. When the city refused the request arbitration was resorted to. Of the three arbitrators two assented to the application. Of these two, one, a bank president, had been appointed by the company as its representative in the arbitration, and the other, an attorney, had been named by the federal judge of the district as independent. The third arbitrator, who was a city official and appointed on the city's behalf, dissented. The report of the arbitrators' findings declared that the adjudicators were "convinced that the company could not sell its 6-per-cent stock to enable it to keep abreast of the times." Cleveland car riders will decide, finally, whether the increase in dividend rate is to be allowed, for the decision of the arbitrators is to be reviewed by a vote of the people at a referendum election.

Because of the flexibility of the Tayler Grant, statistics concerning the finances and operations of the Cleveland Electric Railway Company under the grant at any time would be of value only as indicating the condition of things at that particular time. However, some general and comparative figures are material.

In 1910 the total capital stock of the company, as fixed by the Tayler Grant, was $14,675,600. Since then six increases have raised the total to $28,716,000. (Cleveland Railway stock, incidentally, has ranged in value on the Cleveland Exchange from 93 to 114.) Of a total of $35,000,000 in bonds of the company (as authorized) dated March 1, 1911, and drawing 5 per cent annually, $5,495,000 are outstanding.

From March 1, 1910, to December 31, 1919, the gross income of the company was $89,547,897.97, which included $15,459,231.21 for 1919. Out of this gross there has been paid to the stockholders, numbering more than

(Continued on page 43)

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Glorifying the Doughnut

By ROBERT EMMETT

FROM THE EAST there came to Milwaukee a rumor that a store in New York state was doing a big business on a little thing—doughnuts.

The manager of the store in Milwaukee went to see the manager of the Eastern store. The Easterner told the Westerner all he knew about doughnuts; he displayed the machines that turned out doughnuts in gross lots and gave him the doughnut recipe he was using—one that produced doughnuts possessing that rare quality, the home flavor.

The Milwaukee man went home to adapt the plan to his own business. If the Easterner could make and sell from 500 to 1,000 dozen doughnuts a day, he could see no reason why a store in Milwaukee couldn't do the same thing.

The manager decided to name the doughnut after the store and call it the "Boston Store Doughnut." He decided further that because doughnuts were not widely known in Milwaukee his plan demanded the widest possible publicity. So for several days the Boston Store ran "teaser" ads in the newspapers, giving them liberal space and preferred positions.

The opening ad merely hinted that something unusual was under way. It showed a big "B" with a faint and broken circle. As the campaign developed the circle grew and assumed shape. Other initials were added, too, until on the day of the opening announcement, the advertisement revealed that "B. S. D's" are "Boston Store Doughnuts."

If "B. S. D's" had been displayed as doughnuts usually are displayed—in trays on the baked-goods counter—they would have created little interest. "B. S. D's" were no common doughnuts and could be displayed in no common setting; the setting must be one that would give them prestige. So the first day that "B. S. D's" went on sale in the Boston Store they were displayed in a handsome booth in a prominent location on the main floor.

The display manager transformed the Pink Booth, as it is known, into a bower of doughnuts, fine fixtures and electrical displays. On all four sides of the booth, around the edges, up and down the sides and around the top, were brilliant lights, while on the four sides of the pillar around which the Pink Booth was built scores of lights spelled out "B. S. D's"—a letter to each corner of the pillar.



The Pink Booth

Hundreds of dozens of the finest, fattest, fluffiest doughnuts, fresh from the kettles, were heaped up in the booth. Their aroma filled the air over the Boston Store's main floor, and for several days the bake shop was taxed to the limit to turn out doughnuts fast enough to meet the demand.

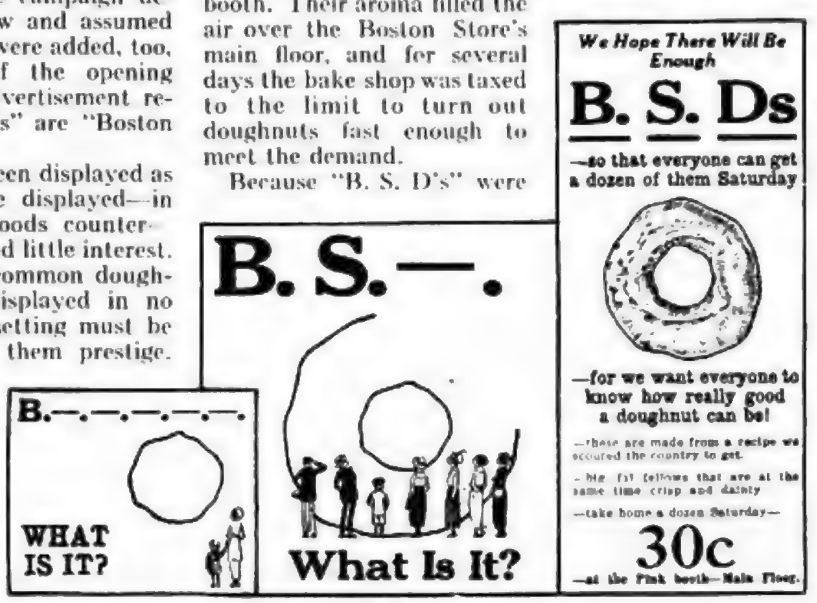
Because "B. S. D's" were the best doughnuts that could be made, their fame spread fast. People, who never had heard of them were attracted to the Pink Booth by the delightful aroma. In street cars others saw their friends and fellow passengers carrying paraffin bags on which were large red hearts. In the middle of the hearts were the large red letters, "B. S. D's."

The fame of "B. S. D's" has spread until now people who live many miles from Milwaukee get their daily supply of these doughnuts by mail. The Boston Store ships them in special paraffined cardboard boxes to many regular customers. By parcel post they are sold this way: one dozen, 40 cents; two dozen, 75 cents; three dozen, $1.25. Because of the possible delay in transit, the Boston Store encourages orders within the first and second parcel post zones only. Thus the store is building up a mail order business in a commodity that until a few years ago we never thought of finding outside of the kitchen "back home."

At 30 cents a dozen the Boston Store is now selling between 700 to 1,000 dozen doughnuts a day. Some days the sales exceed even the larger figure. Neither the price nor the quality ever vary.

It is obvious that a department store never would pay large dividends on the net profits it would earn from selling doughnuts exclusively. But—doughnuts bring a great many customers to the store every day, for in Milwaukee "B. S. D's" are not delivered. Persons that want them must come and get them.

It may be conservatively estimated that of the minimum of 700 who come into the store every day for doughnuts, at least 400 stop and buy something else. The plan is one more solution of the problem of getting people into the store.



The evolution of a doughnut ad

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The Letters of Judson McGee

With a Description of the Data System That Enables Him to Maintain Personal-Letter Relations With His Dealers

IF I COULD only get the time to write more letters, I could easily double our sales this year."

Judson Parmenter McGee, president and general manager of the New Durco Manufacturing Company, was regretting his inability to dictate more personal letters to his trade.

Twelve years ago "Jud" McGee was carrying a sample case on the road. Today his plant is rated fifth in size in his industry. So rapid has been his rise, so wide the personal esteem in which he is held throughout the trade, that he is often said to be the coming Charles M. Schwab in his particular line of manufacturing.

Ask Mr. McGee the secret of the remarkable success he has achieved and he will probably tell you as frankly as he told us:

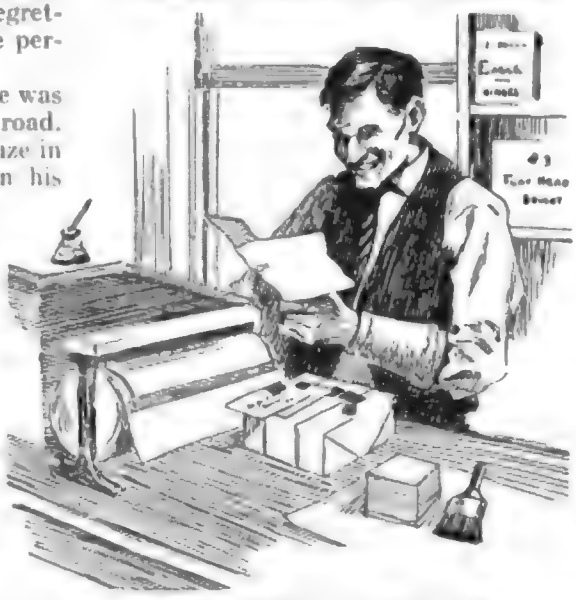
"It was letters that did it—personal letters."

No matter how strongly a competing firm may seem to be intrenched in any particular locality or in any particular store, if Judson McGee goes after them with his letters he invariably wins an important share of the business. He leads the main attack in the selling campaign of the New Durco Manufacturing Company with the personal letters he dictates from that secluded suite of offices of his in the old west wing of his factory.

It's the important new customers his salesmen are endeavoring to secure that receive the most intimate and convincing examples of his personal letter-writing skill. He devotes his chief attention to the difficult prospects. When the salesmen are in from the road he discusses with each one the particularly hard nuts they have previously been unable to crack. And when the men are out again he begins anew his personal letter campaign.

Retailers who have positive objections to the New Durco's line find those objections not so serious as they had imagined, after reading a few of Judson McGee's letters. It is invariably also a source of surprise to them to learn that the president of this aggressive new company knows all their objections so thoroughly. But it isn't always the argument in the letter against the reasons they have advanced for not buying that wins them; it's the more appealing advantages of the new line in some other respect that completely outweigh all their objections.

Personal information—that's the thing that makes Mr. McGee's letters successful. Through his letters he maintains at all times a personal relationship with every retailer who buys his line or is a prospect for it. And while it is true that he devotes his chief attention to letters to prospects, he undoubtedly sends out a great many more personal letters every year to those who are already customers of the house. He doesn't overlook the importance of writing personal letters to those who are handling his products. But through the system he has perfected, these letters to customers are much easier to write and require less time and attention.



"Says 'Hello, Bill' in his letters to retailers all the way from New York to Honolulu"

JUST as "Charlie" Schwab is said to go through his big steel mills and to call every good workman by name, so Judson McGee says "Hello, Bill!" in his letters to retailers all the way from New York to Honolulu.

Of course he says "Hello, Bill!" in a refined and entirely unobjectionable way, but he says "hello" just the same. It's the personal equation all the time. And every retailer who gets a letter signed with his stubby signature is pleased to know that the successful president of the New Durco Manufacturing Company has written him personally and remembers so many individual things about him and his business.

"Now a letter that attempts to sell goods must do very largely what the salesman does," says Mr. McGee. "It should be just as personal as the salesman. It should make its main appeal a personal appeal.

"You see I was on the road myself a good many years and I formed my conclusions about selling from first-hand information. I learned that personal confidence in the salesman is the greatest factor in selling goods. I knew hundreds of retailers and why they were handling certain products. In every case there would be competing products that were just as good perhaps. But each retailer pinned his faith on some one line. He knew Bill Smith, the salesman in that territory. Bill had convinced him that the D. C. products were the best. He knew Bill, knew that Bill was on the square, and relied on Bill to see that the goods were always up to sample. To be sure there were many other factors and many other reasons why certain retailers bought certain lines, but the average retailer was influenced just as I have described. It was largely his personal confidence in Bill, the salesman, that won the business and held it.

"That was my experience in selling. Retailers placed more confidence in me than in the house I represented. Perhaps it was a fault of my selling methods. But you must remember that advertising then was not the factor in our trade that it is today, and that service to the retailer was only beginning to be considered. The factory then simply did the manufacturing. It was up to the salesman to sell the product in his territory as best he could.

"As a result of this condition of affairs I brought a large personal following with me when I established this business. The orders I was able to deliver were about all we had the first year. And getting all this business on the strength of my personal friendship with hundreds of retailers and my personal knowledge of their local conditions, I was influenced at the very beginning to found this business on the same personal basis.

"Letters were the medium I naturally selected to continue my personal

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selling campaign. I planned to put the same personal appeal in my letters that I had used in my selling talk. I planned to base my letters on the same actual knowledge of each prospect and his individual local conditions that I had possessed when I was a salesman. Through my letters I determined not only to maintain the same old personal relations with all the retailers in the territory where I had traveled, but also to extend this personal acquaintanceship to retailers all over the country.

MY idea of a letter, you see, is just as I have told you. Your letters should be your salesmen. They should approach a prospect just as intimately and with just as much personal knowledge as a good salesman. Doing this they build business on personal confidence in the house, rather than on personal confidence in the salesman. That, I want to tell you, is one of the most vital advantages in personal letters. No salesman can leave the New Durco Manufacturing Company and take more than $100,000 worth of business with him as I did when I left my last employers.

"Don't take it from this, however, that I depreciate the importance of the salesman. He is still just as important and just as necessary as he ever was. Our salesmen, for example, are earning more money than any others in the trade. They earn more because they book more orders. And they book more orders because they receive better support directly from the house through the personal letters I write to their customers.

"No, the salesman is absolutely essential and always will be. He is your advance agent. He is the personal representative of the house. But he should get business and hold it on the reputation of the house and the merit of its products. Whatever confidence the customer has in the salesman should be secondary always to his confidence in the house. The salesman should be a traveling house-organ for the firm that pays his drawing account and commissions. And the only sure medium I know for building business along these lines is personal letters from the house to the customer."

With this explanation of the purpose of his letters, Mr. McGee showed us a few examples of the sort of personal letters he writes day after day. A stack of these letters still unsigned lay on his desk. He picked up the first one.

"Now here is a letter to a regular customer," he said. "Most of the letters we write are to retailers who are already handling our products. We don't neglect our old friends. And perhaps this letter will serve as well as any other to show the general character of this correspondence with regular patrons. Before showing you this letter, however, I want to say that I never was in Saco and never met either of the members of this firm."

We reprint the letter just as we copied it to be republished with Mr. McGee's permission in this article. The only alterations we have made are in the name of the firm and the address.

SMITH & NEWMAN
Corner Broad and Main
Saco, Maine

GENTLEMEN,—Fred Clark told us about the personal discussion he started when he was in your store last October. As I got the story, Mr. Smith maintained that not more than five per cent of your patrons were women. And Mr. Newman inclined to the opinion that fully 20 per cent were either women or men who had been sent in to make a purchase by the wife at home.

Fred told me that he thought Mr. Newman's estimate was about as you would find it if you checked up your trade carefully for a month or so. He said that you were going to keep such a check on customers for the month of December and let me know the results.

But we haven't heard a thing from you regarding this test. I am particularly interested because we have several retailers in the West who are keeping this data. I have been trying for a number of years to get an accurate estimate of the percentage of women purchasers in our trade.

If you kept this data and have not mislaid it I wish you would send me the percentages. I know Mr. Smith will not attempt to hold back, even if he did fall short in his estimate.

Clark is now in Connecticut. He reports that the retail trade there is particularly good.

If the sample of weather we've been having lately is anything like what it is up your way, trade ought to be brisk on those 7-C Ideals you ordered in September.

Cordially yours,
THE NEW DURCO MFG. CO.
Judson McGee, *President*

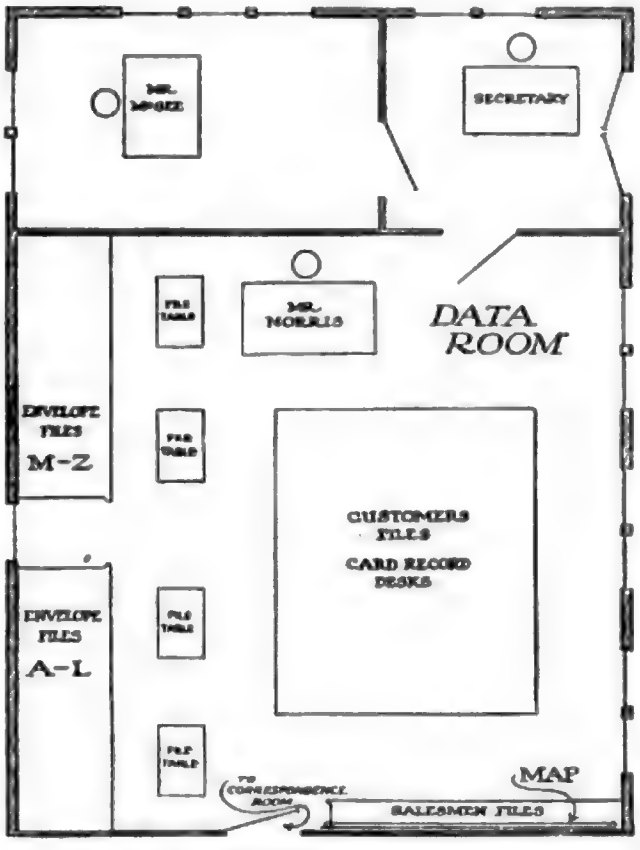
"Rather longer than most of my letters to customers," said Mr. McGee, when we passed him back the Smith & Newman letter. "But you see it takes more time to write an effective short letter.

"How did I remember all that about a comparatively small retailer in Saco? I didn't remember anything about it until Joe Norris, my data man, laid Smith & Newman's data card on my desk this morning, with a dictated memorandum of all the facts, and the memoranda Fred Clark, our salesman in that territory, had made for my information in writing this particular letter.

"The exact date for me to write this letter was also fixed by Clark when he was last here at the office. And this morning my data man brought me more than a hundred of these data cards of regular customers which had been checked with a tickler in our general mailing list for a personal letter today. You see we group our letters as much as possible. We write as many letters of a kind as we can on certain days and today was customers' day.

"Of course many of the personal matters I mention in my letters come back to me when the data card and the memoranda slip are laid before me. That was true of this particular letter. I remembered all of the details instantly, but would never have recalled them if it had not been for our data system.

"Now here is an entirely different sort of letter." Mr. McGee continued, selecting his specimen from another stack of letters on the other side of his desk. "This is an example of the kind of letters we have to write every day. Some days we do not get out anything but letters of this description, which are written to customers and prospective customers just before the salesman arrives. Every call of one of our



Mr. McGee's Office and Data Room

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salesmen is immediately preceded by a personal letter. Writing these letters is our first task every morning.

"This letter happens to be to a retailer who is not a customer, Hill and Homans, Oskadalia. It's a particularly important letter, too. You see we never have sold any goods in Oskadalia. The town isn't large and there is only one retail firm there, but this company serves a large rural district. For this reason we have been trying hard to displace our competitor, the Eclipse Company, which secured the business years before the New Durco Manufacturing Company was organized and has held it in spite of our very best efforts.

"Although I never have been in the town, I know the conditions thoroughly from the information in our data files. This morning I was advised by a night letter from Dave Russell, our man out there, of a new development in the situation which called for an especially timely and forceful letter. You see Russell has learned that Hill and Homans are thinking of dropping the Eclipse line. They discussed the matter with a retailer in another section of the state at their last state convention. This retailer is a customer of ours and passed the tip along to Russell. He naturally lost no time in getting the new development in the situation to me. And this is the letter I am sending to Hill and Homans tonight."

HILL & HOMANS
Oskadalia, Washington

GENTLEMEN,—When Bud Dolan drives in on the stage from Short Plains tomorrow morning, with a broken spring part on a disk leveler, you are going to remember what I wrote you last fall about our new San Francisco branch and warehouse.

From three to four weeks is entirely too long to expect a customer to wait for a new part like that at this season of the year in Washington. Of course it may not be a spring part and it may not be tomorrow morning, but you are getting the call for parts now every day, and service is an important feature to your trade.

In fact Dave Russell, our man in your state, tells me that there are quite a few people already in your territory who are going 40 miles to Canisteo to get the prompter service our retailer there is now able to offer because of our San Francisco branch.

Dave Russell will be in Oskadalia about the twentieth and when he arrives I want you to let him explain how promptly we are getting shipments into Washington.

I guess I can leave it to Dave to tell you how much better and more complete our line is than any other in the field. I do want to tell you personally, however, that the New Durco's line is not only a shade better in any respect you can mention, but that our service is 50 per cent better.

With the county seat now located at Oskadalia, you are well on the road to a much larger town and a bigger volume of county trade. The New Durco Company's line will be an asset to you in handling this bigger business. As you know, I am here on the job at the factory all the time and can promise you the personal attention a business like yours needs at headquarters.

Sincerely yours,

"Fortunately, that letter was all plain sailing," explained Mr. McGee, "because Russell wired me that Hill and Homans were dissatisfied with the service they were getting from the Eclipse Company on parts. With our San Francisco branch we hold a big advantage in all that Coast territory. And all I had to do was to make my argument tell by mentioning Bud Dolan, who is a character out there and who drives the stage between Oskadalia and Short Plains. Bud brings in the parts every day or so at this season of the year from the customers along his route. Most of these parts a retailer would already have on hand, but a spring part for a disk leveler is something no dealer would ever carry in stock.

"Perhaps the two letters I have shown you, however, will give you the idea that all our correspondence has a rural flavor. The facts are quite otherwise. We write more letters to the city than to the country trade. This letter to a well-known retailer in Boston should give you a better idea of our personal correspondence. It's to Cabot and Saltonstall, who are located, as doubtless you are already aware, on Summer Street. This firm buys some of our goods but we have never been able to secure all the business. They spread their orders around altogether too much for their own good."



"When Bud Dolan drives in on the stage from Short Plains tomorrow morning"

CABOT & SALTONSTALL
Summer Street,
Boston, Mass

GENTLEMEN,—My oldest daughter Jane, who is now at Wellesley, mentioned in one of her letters recently your handsome new store front. Jane wanted some of those New Durco picture pins and of course called at your store to purchase them. And her letter brought to my mind what Walter Green had told me just before Christmas about the new store front you were planning.

I am glad to know that it is now built and that you have such an imposing entrance on Summer Street. If you will pardon a suggestion, in this connection, I want to remind you of our special garden window display for Easter. We have placed 17 of these displays in New York and Brooklyn, one on Fifth Avenue. You have the location and the store front in Boston to make a pronounced impression on your spring trade with this unusually interesting and beautiful garden display during the Easter season.

Have just advised Walter Green to see you next week if possible. As you know, our garden line is something we have long been trying to get you to handle. With your new front now is the psychological time for you to allow us to demonstrate all we have claimed for these goods.

I acquired an N & R eight-cylinder this spring, the same as Green tells me your Mr. Cabot drives. But the roads here at this time do not give me the opportunity you enjoy to try out a new car to any considerable extent on long runs. I can indorse, however, Mr. Cabot's opinion regarding the smooth-running, easy-riding qualities of the N & R. It surely does put it all over the old Rumbler.

Cordially yours,

At this point in the conversation Mr. McGee pushed one of a row of buttons along the edge of his big desk and a slight but intensely active man at least 50 years of age appeared in the doorway.

"This is Mr. Norris," he said, "our data man. Mr. Norris is one of the most important men in our organization. He keeps and is entirely responsible for all the personal data in our card systems. It is only with his help that I am able to maintain personal-letter relations with our entire trade.

"Now if you will step out into our data room, Joe will explain his system to you; and I want you to appreciate the fact that it is Joe's system absolutely. He worked it out and perfected it. When the history of this business is written, if it ever is written, after Joe and I are gone, it will be Joe Norris, fully as much as Jud McGee, who gets the credit for our success."

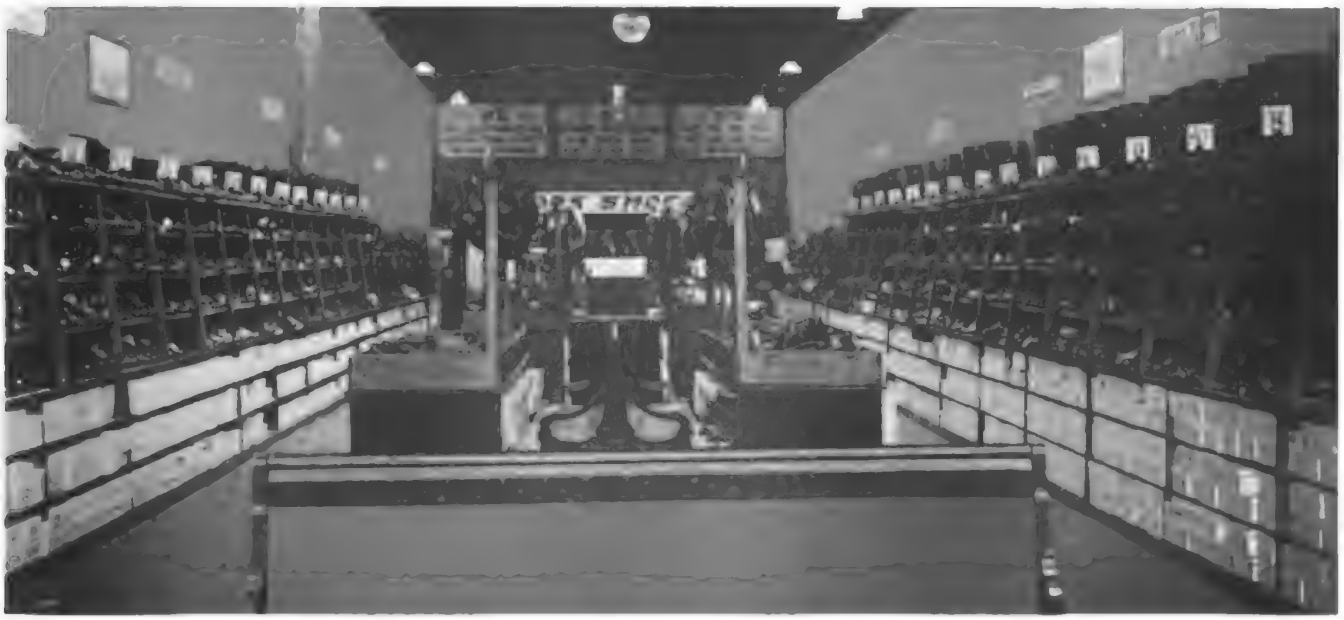
"I am afraid McGee is lapsing into some of our personal-letter data stuff," said Mr. Norris by way of apology for this hearty recommendation. "But he knows that the same sort of personal friendliness we maintain with our customers is also good for the help now and then."

With this little pass at arms between the boss and his capable assistant, they both explained the general details of their personal letter system. An important feature was an immense map of the United States and Canada which hung at the far end of the room. This map had been made especially for them

(Continued on page 26)

Help Yourself to the Shoes

By WILLIAM C. SPROULL



DURING A SALE of surplus stock of shoes five years ago F. L. Turner, of Brazil, Indiana, saw many customers in his crowded store sitting on boxes and benches fitting their own shoes without the assistance of a salesman. The customers were helping themselves to shoes and calling upon the salesmen only when ready to pay for their selections.

This condition suggested to Mr. Turner the thought that possibly salesmen are not indispensable in a shoestore. He knew he would have a larger trade if he could sell shoes cheaper; he knew he could sell cheaper if he could reduce overhead; he believed that if they could buy shoes cheaper many customers would be willing to wait upon themselves.

Mr. Turner did not abandon the old method of shoes. Instead he divided his stock, moving his better grade of shoes into a larger store room just across the alley, where he conducts an orthodox shoe store and employs four salesmen. In the old store he constructed shelves along each wall and put in subdivisions for sizes. On one side of the room he placed men's shoes; on the other side, women's. In the middle he placed several bins for special lots at special prices. Instead of employing salesmen he employed two girls to "keep store."

These two shoe stores, fifteen feet apart, owned by one man but serving two classes of trade, afford a good opportunity for comparing the two methods of retailing shoes. In the store with the better class of shoes the furnishings resemble those of the average shoe store; in the serve-self store the furnishings are meager—four benches, a couple of chairs, shelves, signs and a cash register. In the service store four salesmen draw the usual salaries for shoe salesmen; the serve-self store requires only two girls. In the service store the cost of doing business averages 27 per cent; in the serve-self store the cost has been cut to 17 per cent. Thus 10 per cent is saved to the customer without reducing the profits.

A saving of this kind naturally is reflected in the comparative figures representing volume of business. From an average stock of $7,000 in the serve-self store the customers "helped themselves" last year to $40,000 worth of shoes. In the other store, where the stock averages $20,000, the gross business amounted to $60,000.

ONE STORE does not compete with the other. The highest priced men's shoe in the serve-self sells for $5.98; the highest priced women's shoe sells for $4.98. In the store across the alley much better shoes sell for much higher prices. The serve-self store receives many poor sellers and odd sizes from the other store.

This serve-self shoe store caters chiefly to farmers and laborers; in general, to those classes of people who want work shoes or the cheaper grades of dress shoes. The chief competitor of this serve-self shoe store is the mail order house. Through his advertisements Mr. Turner has convinced most of those people in his neighborhood who formerly bought of the mail order houses that he can undersell the big concerns on any shoe he has in stock.

For example, Mr. Turner distributes handbills—his chief method of advertising for the serve-self store—saying, "This shoe in your catalog $6.85—the same shoe in my store for $4.39." Another paragraph may run something like this: "Your mail order house asks you to send in $2.95 for this shoe. In our store you see the same shoe and try it on before you pay $2.69 for it. And you get your money back if you are not satisfied."

Even in his serve-self store Mr. Turner follows his practice of guaranteeing satisfaction. He urges his customers to take home a pair of shoes for each member of the family and to return any shoes not of the right size. Of course, the customer pays for the shoe before he leaves the store, but he knows there will be no questions asked if he wants his money back.

Good display creates the illusion that the stock in the serve-self shoe store is much larger than that in the other

(Continued on page 27)

New Styles in Lumber Yards

Your Up-to-Date Dealer Dolls Up His Yard, Installs a Planning Service and Caters to the Trade of Women

By M. E. BASCOM

TIME WAS, not so long ago, when a retail lumber yard was a thing of utility, indeed of necessity, but by no stretch of the imagination could it be called a thing of beauty, desirability or even "tolerability"—if there is such a word— in the neighborhood one happened to live in. People avoided the yard as much as possible, disliking to walk past it, even on the other side of the street. Its high board fence, generally sagging and slatternly, gave a forbidding look to the whole block, and the sidewalk was usually unclean and in winter covered with ice or snow. It was about the ugliest place in town, and with the exception of a few school boys for whom it held a mysterious fascination, no one ever went near it who could possibly help it.



Miniature house at the Detroit Builders' Show

But a change has come over the lumber yard. It has perked up, with a brand new, freshly-painted fence—green mostly—with a neat, clean, well-built office with display windows, sometimes with gay flower boxes, and always with a cheery, clean, homelike reception room where one can sit in comfort and examine samples of hardwood flooring, fancy doors and the like, and plans and pictures of handsome little bungalows and cowsheds and granaries and self-feeders and so on.

The yard itself has changed no less. The long aisles of dirty, slipshod lumber piles have straightened up; have got under cover, in fact, and are no longer dirty or weather-beaten, but shiny yellow and fragrant, just as they came from the mill—all because they have a roof over them and a waterproof foundation under them. And a lot of other things have come to pass which make the retail yard at last a real asset to a community—actually a thing of beauty.

And what has brought this about? The answer is, as in so many cases of industrial rejuvenation—woman.

If some years ago you had suggested to the lumberman that he do something to make his yard attractive to women customers, he would have laughed and spoken somewhat in this wise: "I suppose you want me to tie pink and blue bows on my boards and put a flower pot on each lumber pile? How about lace curtains at the office windows and some bead portieres strung up between the lumber piles? No, we don't want no women coming around here. What do women know about lumber, anyway?"

In those days when lumber had to be purchased, the man of the house usually did it over the phone. When a new home was to be built, the village contractor bought the necessary woodwork and charged whatever he pleased for it. To the feminine world lumber and the lumber yard were unknown quantities.

BUT some one awoke one day to the fact that women are the real home builders; that they are the "instigators" of new floors, built-in book cases and other things made of the products sold by the retail lumberman. And so, with amazing rapidity, there spread the propaganda of "Home-Building Service," which, reduced to its lowest terms, meant reaching the real ultimate consumer, the "lady of the house."

A man out in Kansas—D. J. Fair, a retailer of Sterling—was one of the first to see the light and one who not only brushed up his lumber yard but went farther and installed what he called a "planning service," designed to reach the prospective builder of homes and also those who wished to remodel old homes.

Mr. Fair became a prophet of the new deal and went about among his fellow retailers at conventions all over the land, and preached to them the gospel of "service" in general and the "planning service" in particular.

"The average home-owner builds but one home in a lifetime," said Mr. Fair, "and it's up to the lumberman to help him build it right." So he went to work with that idea in his head and proceeded to show the farmer and small-town home-owner how to "build it right."

"You can't blame him if he follows false gods and is attracted by the pictures in the catalogues," he said—and put up photographs of the houses he had furnished the lumber for and the floor plans, and on them he tacked the bill of materials.

"It's just as true of homes as it is of millinery that the attractive design is selected because it pleases the eye," was another of the axioms he fired at his fellow retailers—and he put up beautiful water color paintings of bungalows and farm houses with trees and flower gardens in full bloom, and showed his customers how they could get such a home.

"I would have the floors scrubbed and the windows washed and the ice and bacon and eggs in the ice-box when the key is delivered," he finished—and his fellow lumbermen sat up and took notice. He hasn't got that far yet, but he will.

"Selling the home complete" became a slogan among the retailers and the "planning service" became a new gospel. Adolph Pfund, the secretary of one of the big retail associations seized upon the idea and instituted a planning service for the members of his association, thereby making it possible for the smallest dealer in the

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most remote town of his territory to have a complete, up-to-date sales-pulling planning service.

Among the first to adopt this scheme and to install a planning service was George La Pointe, Jr., manager of the O. & N. Lumber Company, of Menomonie, Wis., and of the La Pointe Lumber Company, which control twenty-nine retail yards in various small cities in the north. Each yard is neat, attractively painted and has a wide-windowed display room, the window always being filled with model farm structures, architectural water colors and sample interior finishes.

Mr. La Pointe's service department at present consists of a corps of draftsmen and estimators whose duty it is to follow the customer's ideas and to design a home, a barn or a whole outfit of farm structures in accordance with those ideas, suggesting a convenience here and avoiding a difficulty there, and giving an estimate on the cost of the completed structure.

Thus when Farmer Jones plans a new group of farm buildings—say a silo, an implement shed and a hog farrowing house—the planning service helps him to select the style of building best suited to his purpose and helps him to make the best use of his space. It may also throw in a suggestion or two as to the new style of self-feeders and some portable grain bins.

The yard manager is provided with plan books and prospect blanks. Each yard manager is educated to handle the customer in such a way as to find out his exact needs and wishes and to guarantee satisfaction to him. He first ascertains from the "prospect" the type of house or other structure desired, the number of rooms and kind of architectural features wanted, and in a general way all the other larger details.

Then the prospect blanks are filled out with this information and sent to the service department, which is thus enabled to make a tentative floor plan and a water-color perspective of the job. These are then sent back to the yard manager to be presented to the customer. If the plan and perspective are found satisfactory, the yard manager at once quotes a price on all the material needed for the completion of the job, as each yard handles all building materials. This price is guaranteed; that is, the company guarantees that the figures will cover the price of the material.

If the estimate results in a sale, the service department makes regular blueprint plans and detailed specifications.

AT the head of the service department is A. W. Holt, who has made a life study of estimating building "by the square," or on a unit cost basis. He uses in this work a "Lumbermen's Building Estimator," compiled by himself and consisting of elaborate tables to assist in accurate and rapid calculations. The plan can be operated by the small dealer as well as the large, even where a professional draftsman is not employed, the planning service offered by the associations being available with bills of materials, and the "Estimator" making it possible for any lumberman to calculate costs easily and quickly. Mr. La Pointe doesn't hide his light under a bushel, either, but advertises this fine service of his far and wide. The guaranteed price feature is advertised under the name of "The Holtbid," because Mr. Holt puts the price on the job.

Mr. La Pointe has found that women are the best "prospects" and that with his planning service he can please them so well that once sold they are "sold for life" when any additions or repairs are to be made. Moreover, a woman tells her friends of his work for her and thus brings much trade to his yards.

"We appreciate the fact," says Mr. La Pointe, "that in most cases the wife is more anxious than the husband to have a home, and I believe that if we had a woman in our service department—one who has made a study of home conditions—she would be of great aid to our customers in helping them to plan not only their homes, but also the room arrangements and built-in features that mean so much to the housekeeper."

There's a big idea in that and one that is going to be tried out. A woman of the proper training—one who could talk plain common sense to housewives about where the woodbox and coalbin ought to be and whether the drainboard of the sink should be at the right or left—a thing no mere man would ever have thought of—and just how many closets you can squeeze in and where; think what a drawing card she would be in connection with such a service!

Mr. La Pointe has reason to know pretty well how this will work out, for his own wife recently proved the point by planning and building a small house which sold promptly at a good profit because of its comfort and convenience.

Mr. La Pointe says that when business conditions become a little more stable and building material prices settle down to some sort of certainty, he is going to try out this plan.



A view of the offices and part of the yards of the Braun Lumber Company, Detroit. Ford automobile plant in the right background

The Letters of Judson McGee

(Continued from page 22)

with each salesman's territory in a different tint and was covered with little flags in various colors. The red flags, which were numbered, they told me were used to indicate the exact location of each salesman.

"The map, you see," explained Mr. Norris, "is the chart that guides us in our correspondence. Our letters were written to help the salesmen get the business. And to do that we must time and direct our letters with the particular salesman in view who is to follow up our letter work and cash in on it.

"As you can readily understand, our letters must be planned ahead. Most of them are planned months ahead, but the actual work is usually only a day ahead of Mr. McGee. For example, the work the girls and I are doing here today is for the letters that Mr. McGee will send out tomorrow.

"Now here under the map you see our card system for the salesmen. All the facts about every salesman are kept on these cards by this young lady here.

"Where will Phil Sinclair be tomorrow?" asked Mr. McGee of the young woman in charge of this part of the work.

WITHOUT a moment's hesitation she walked to one of the last of the drawers in the cabinet and drew out three or four cards. This is what she read to us:

"Mr. Sinclair should be in Warren, Ohio, this morning. He is to see Brainard and Sons there and will probably lunch with Mr. Brainard, Senior. This afternoon he is to go over on the trolley to Niles and see the Jessup Company. The two letters to these companies were written day before yesterday."

"And where did you last check up Mr. Sinclair, Miss Burrill?" asked Mr. McGee.

"I checked him from his letter this morning," she replied. "He was in Youngstown and up to schedule."

"You see this part of the work is elementary but highly important," explained Mr. Norris. "With the data on our salesmen's cards, we start our work here every morning. We attend first to the letters that are to precede each salesman. And to write those letters we refer to these customers' files here in the center of the room and to those envelope files over there.

"Miss Burrill gives me every morning a memorandum for each salesman for these letters and I immediately get to work with the two young women here at our general files."

The files in the center of the room were arranged in card record desk form and each card was fully four times the size of an ordinary index card. Customers and prospective customers were indicated by the different colors of cards used and the ratings and many other vital facts were immediately ascertained in the same way—by different shades or by various cabalistic signs. In addition most of the cards bore tabs of various character.

Altogether the amount of data on these cards was most surprising—data about each customer and data as well about the particular territory. Most of this data on the cards, however, was restricted to vital facts. The more complete personal data were kept in large individual manila envelopes which were stored in an envelope file reaching almost to the ceiling at the other side of the room. By a number on the card these envelopes could be secured from the young woman in charge of the envelope file. And before both the large general card file and the envelope file I observed young women at work at tables and with typewriters revising and recording data.

The larger envelope files, I learned, were the most important feature of the work. Here a young woman was constantly employed summarizing and typewriting data. Whenever a new letter was written extra carbons were furnished for these files. The young woman in charge then summarized the old data that had previously been used, if they were at all bulky, on a special sheet of yellow paper. All of the old data were preserved in the envelope, however, but they were kept together under an elastic band. The more immediate and timely facts were summarized on the yellow sheet, or on a special large card which was cut to fit easily in the envelope.

AMONG some of the more unusual data in the envelopes Mr. McGee and Mr. Norris called for were theater programs where a salesman had attended the theater with a customer; pictures of homes in which retailers lived, with all the facts about the home, if it were a new house; pictures of automobiles; pictures of salesmen in automobiles, perhaps on some special outing with a retailer, to a country fair or to some resort; pictures of store fronts; picture postcards that the retailers had mailed to salesmen; and an assortment of many other things too numerous to describe but which might be generalized as the odds and ends which a young girl or a college boy might keep as treasured mementos of pleasant times gone by.

"Here you note a snapshot of a particularly fat man getting weighed in a country store, with a group of the usual onlookers at such a performance," said Mr. McGee, picking up a picture from the varied contents of the envelope we were examining.

"You remember that picture, don't you, Joe? That was the thing that really got us this retailer's business. We had been trying to sell this man for several years. But it was only when Thad Tanner struck up a conversation with him about the troubles we fat men have to bear that we made any progress. Thad, you know, is even larger and stouter than I am. And as you can see, this retailer is no stripling—weighs or did weigh about 250 pounds and not as tall as I am at that. Well, Thad dropped in at his store when some one was chaffing him about his weight and to settle the argument he was getting himself weighed. His bookkeeper, I believe, snapped the picture.

"*THIS* opportunity was not neglected by Thad. He told this retailer, Homer Middleby, how I had taken on flesh after being on the road so many years and confining myself so closely to office work. And he told him how I had finally been obliged to take the baths at Mount Namur.

"With an opening like this I sent Middleby one of those 'before and after' pictures of myself and explained the treatment that had helped me, particularly with regard to diet. He adopted it himself and lost nearly fifty pounds. So you see we three, Thad and Middleby and I, got on a cordial personal relationship basis. And, of course, we secured the business. Here you see the clippings which Middleby sends me from time to time from his local paper—little news items about his store or about him personally or his family, and I always acknowledge them with a personal letter.

"The correspondence room now, Joe," said Mr. McGee.

This was in the next room adjoining and here we found eight stenographers and three male correspondents.

"This gentleman, Mr. Broadbent," explained Mr. Norris, "handles all of our general daily correspondence and all of our form letter work. He passes on to Mr. McGee only the more important routing letters to sign. The form letters, as we call them, are really not form letters at all, for they are all

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typewritten and all contain a personal reference of some sort, even though this reference is sometimes very slight—perhaps only a special mention of the particular state or town or of the firm.

"The work here, as Mr. Broadbent can tell you, is exacting and difficult, because we are sending out hundreds of these letters every day and many thousands every year. Every customer and prospective customer gets them regularly. They are always devoted to the general new facts about the business, new products, general business conditions, gains in our monthly sales, and various advertising matter of that kind. They are intended to keep our trade constantly informed about the New Durco Manufacturing Company and its products.

"And over on this side of the room you get the heart of our personal letter system, in these two gentlemen, Mr. Logan and Mr. Brownell. It is to them that I pass on the data cards and the envelope data for the personal letters which Mr. McGee signs. They go over the personal data and dictate the memoranda for Mr. McGee. In most instances they dictate the letter which is written on a special sheet of green paper, as you see here. In such cases all Mr. McGee has to do is to edit their work, with a touch here and there, and then pass the copy back to this department, where the final letter is typewritten."

MR. McGee then explained more fully how it was that he was able to send out so many personal letters. On the more important letters, such as those he had shown me, the two correspondents simply summarized the essential facts and he dictated the letter. On all the more ordinary letters, the work was all done by the correspondents but not typed on the regular letterhead. In passing on the suggestive copy, Mr. McGee had the summarized data sheet of all the essential facts in the particular case, which was always pinned to the green letter sheet. In addition each letter written by the correspondents was also accompanied by the general data card.

"Our salesmen are the field agents in our letter system," continued Mr. McGee. "They gather the data. Every call they make is reported with all the new personal data they have been able to secure. Brown of Waco, who has just sent his boy to the University of Chicago; Billings of Denver, whose daughter has married a young man in Boston; Ellis of Bridgeport, who has purchased a new motor boat—all these



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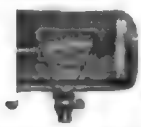
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personal items are sent in to us by the salesman immediately after his call. Perhaps we never refer to them in our letters, but we know these facts when we write, and we are able therefore to mention the personal matters that will make our letters appeal to each prospect.

"Don't get from this, however, that all of our data runs to personal items about each retailer. His local conditions, his competitors, new facts about the growth and conditions of trade in his particular locality—all these things, too, are covered.

"And when the salesmen are in from the road they immediately get down to work here and go over the personal data for each of their prospects. They revise and correct this data and make the memoranda for the special letters which I write, such for example as that letter I showed you to the retailer in Saco about the number of women purchasers.

"Through all this our retailers come to feel that we know them and are their friends. They know from our letters that we have studied their local problems and that we have remembered about them the things that one man always remembers about another man who is his friend. They feel that they are not just somebody we are trying to sell. And as we take so much personal interest in them, they too come to take a personal interest in us. They push our goods. They are proud to be able to give us a larger order this year than they did last. It's the house of which I am the general manager that these retailers look to when they are in trouble or when they want advice or assistance. They look to us because our salesmen work with us to keep the house the supreme thing all the time. Our salesmen know from experience that they sell more goods by featuring above everything else the personality and reputation of the house. That's why the business we secure is built on the house. It's not a transitory business which any salesman can take with him to some competitor."

("The Letters of Judson McGee" first appeared in a booklet published by the advertising department of the Hampshire Paper Company, South Hadley Falls, Mass., by whose permission it is here reprinted.—Editor.)

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The 25c monthly magazine that tells how to transact business by mail—Advertising, Selling, Collecting, Catalogs, Booklets, Circulars, Letters, Office Systems, Money Saving Ideas. Send $1 for 6 mos.
POSTAGE, One Madison Ave., New York

Seattle and the American Plan

(Continued from page 7)

due to the advertising campaign. The three loyal newspapers, by strong editorials and by news publicity, which started even before the advertising campaign was thought of, contributed greatly to the public sentiment which demanded the elimination of the radical element in Seattle.

To revert to the strikes. The declaration of the Master Builders' Association and the Associated Industries for the open shop, which appeared on October 14, was a blow to the radicals and the beginning of the end of the strike which had involved approximately 6,000 men in the building industry. The Master Builders advertised all over the state for men and soon had their work under way again. On October 31 the Building Trades Council called the strike off. The strikers, after two months of idleness, returned to work at the old wages and alongside strike-breakers. The Master Builders refused to enter into any agreement with the unions. In the building industry the open shop was established.

THE loss of this strike defeated the plans of the revolutionists to paralyze the industries of Seattle by strikes. Strike talk became unpopular in Seattle unions, and no more strikes were called.

The employing pile drivers broke the strike in that industry in one day with a single advertisement in all three dailies declaring for the open shop and inviting men to come to work at the old scale. The dyers and cleaners won out, obtaining 100 per cent forces in a few weeks.

The employing printers and tailors have had a harder fight, but the printers' strike was finally settled on an open shop basis early in February and at this writing the tailors are standing steadfast, gradually increasing their working forces and determined to go down to ruin rather than submit to domination by the radicals in control of the unions. Naturally the Associated Industries is seeing to it that they do not "go down to ruin." And public sentiment is backing them up strongly.

So far the Associated Industries has not lost a trick. Every strike, every abrogation of contract by the unions, has been followed by the establishment of the open shop. Beyond that the Associated Industries has not gone, for the organization has repeatedly declared that the employers must play fair; that they cannot violate existing contracts with unions. Hence industries which have "closed shop"

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agreements that have not been broken by the unions themselves are still under the closed shop rule, the while their employers are pledged to the principle of the open shop.

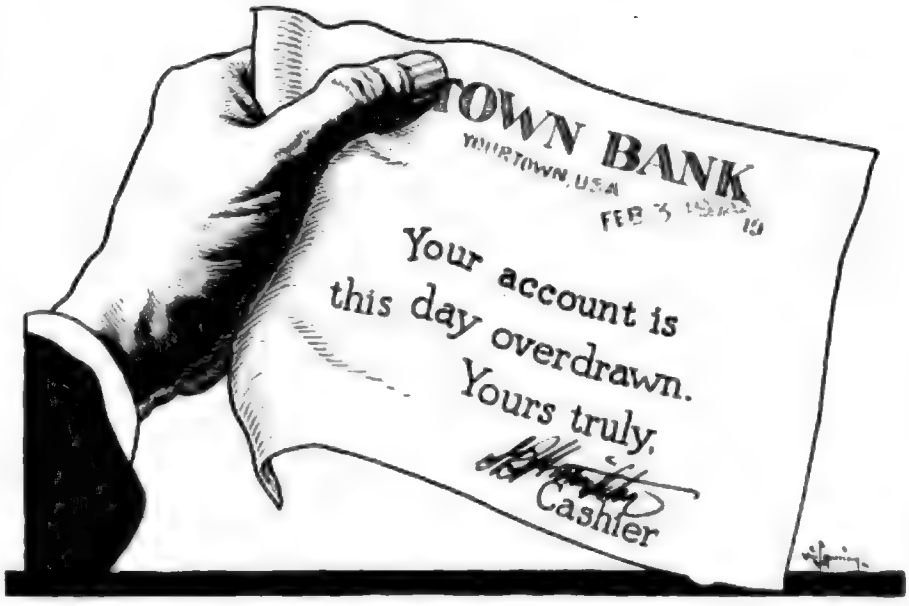
ALTHOUGH it is fighting for Americanism against the radicals, the Associated Industries is not fighting unionism. The organization recognizes fully the right of employees to organize; the right of collective bargaining, and the right of full pay for services rendered. It even goes a step farther than the unions, for it recognizes these rights for all, whether or not the beneficiaries carry union cards. Accordingly it has adopted and put into practice a constructive program. It has a strong committee on wage scales and working conditions to represent the employers in dealing with organizations of employees. The first act of this committee was to require all industries to file the existing wage scales with the committee, following a pledge from the industries that wages would not be reduced while living costs remained at the present high levels. Questions of wages and working conditions are to be settled as far as possible by the individual industries, with appeal to the committee by either employers or employees in case of failure to reach an agreement.

A second committee is at work studying forms of organization of employees, including the shop committee and other plans which would give the proper representation to the employees in each plant without interference from the outside.

A third committee is studying various plans of profit sharing and is charged with the duty of recommending such forms of extra compensation as are adapted to the various industries of Seattle.

A fourth committee is to deal with profiteering; to protect the employees and the general public from any form of profiteering on the part of the members of the organization.

Thus one may see that the attitude of the Associated Industries is not militant; that its purpose is not to smash unions in order to reduce wages and deny employees any of their rights. It is fighting only to protect the community by curbing the un-American practices of union labor radicals who have become drunk with the prosperity and the power thrown into their hands by the necessity of winning the late war for the freedom of the world.



Beyond Your Control

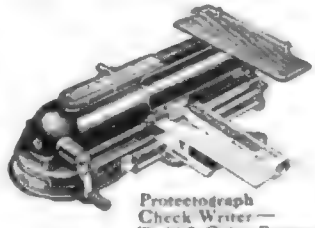
You know how much money you put in the bank.
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Unless you protect your checks to prevent some sly crook from changing the names or raising the amounts. Check fraud is *so easy*. It's one of the most common forms of swindling today.

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Todd System of Check Protection is the Combination of Protectograph Check Writer and PROTOD forgery-proof checks, each check registered and safeguarded like a Government bank note. Todd System carries an iron-clad insurance policy covering (1) The Amount; (2) Name of Payee; (3) Your Signature—which is *Money*, since it represents your credit and all you are worth.



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"Scratcher" The Forger
His Book
(Written in State Prison)

FREE, please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

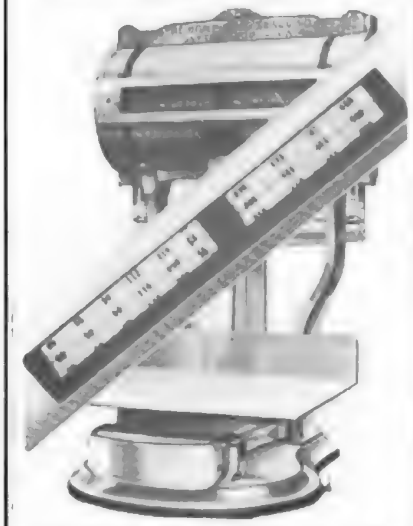
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AFTER YOU READ THIS COPY OF BUSINESS pass it along. It may prove equally interesting to other members of your organization

"Tested in Our Laboratory"

Continued from page 12

observes that it registers 38, for instance. This figure represents the tensile strength of the sample. A higher number consequently represents a greater tensile strength.

Having completed this operation, the buyer makes similar tests for the comparative strengths of the warp and the filling.

To test for wool and cotton composition the buyer boils a three-inch piece of cloth in a solution of potassium hydroxide, or more commonly known as caustic potash, for five minutes. The wool, dissolved by the chemical, goes to the bottom of the jar as a residue. The cotton, being a vegetable and therefore unaffected by the chemical action, remains solid. The buyer then weighs the wool residue and the cotton, in order to compute percentages of composition. For this purpose there are several scales capable of recording a variation of a one thousandth part of a pound.

Then there are simple tests to compute weight per yard, the number of threads per inch, and also the amount of moisture present in the material. Tests have shown that from 6½ per cent to 8½ per cent moisture is a normal condition for most clothes.

SEVERAL years ago a silk house equipped a laboratory for testing purposes. The concern spends $20,000 a year to maintain it. The laboratory director receives a salary of $7,000 and he has three or four well-paid assistants. The firm does a business of $15,000,000 annually, so the laboratory expense is an insignificant item of the total operating cost.

According to F. Schaefer, director of the laboratory maintained in New York by John Dunlop's Sons, manufacturers of thrown silks, the growth of the movement has been so rapid that there is an actual shortage of laboratory experts. Mr. Schaefer is a graduate of the textile school in Zurich, Switzerland, and was brought to this country to take charge of the Dunlop laboratory.

The testing laboratory, according to Mr. Schaefer, has been the greatest factor in the growth of the silk industry here. The officials of the firm that employ Mr. Schaefer were asked to state reasons for this fact. In reply they said:

"After many years' experience in the buying and using of raw silk for the manufacture of organzine and tram (thrown silk yarn), used as the warp and filling in the weaving of broad silks, hatbands and ribbons, we were forced to the conclusion that without means of inspecting and testing the silk before accepting it, it was impossible to obtain raw silk that possessed the uniform quality required to measure up to the standard we wished to establish. There was no establishment in the country from which this service could be obtained, so we established a laboratory of our own.

"The results obtained fully warranted the expense. We found that with the most sincere effort on the part of raw silk importers who supplied us to deliver to us their best silks, we were obliged to reject approximately 25 per cent of the lots tendered as lacking in certain qualities which our standards required. These qualities can be determined only by long experience and the technical results of careful laboratory work."

Help Yourself to the Shoes

Continued from page 23

store. In arranging his stock Mr. Turner takes the shoes out of the box, ties the two shoes together, tags the pair with size and price and places it on the proper shelf. He assorts reserve stocks similarly on shelves directly under the regular classifications. Thus the two store girls can easily replace missing sizes.

When the customer enters the store he follows the signs to the men's or women's shelves. Other signs direct him to the right part of the shelves. Under the size groupings he will find various styles. He then picks out a shoe that appeals to him and tries it on. If it does not fit he picks out a different size or a different style. When he finds a pair he wants he takes it to one of the store girls, who wraps up the shoes and receives the money. The girls stay in the background as much as possible, but render any service they can in finding sizes and in answering questions. They are not salesmen, however, and they are not expected or required to do the work of a salesman.

Mr. Turner often picks up bargains in job lots of odd sizes and quantities that permit him to resell at a profit with more than the usual 10 per cent saving to the customer. He keeps in touch with firms in larger cities and often buys at a discount odd sizes which are easily disposed of in the serve-self store.

The farmer or laborer in need of a pair of shoes knows he can get them cheaper at Turner's Family Shoe Store than he can elsewhere. He likes the serve-self idea. Turner's serve-self idea thrives on the patronage of people who are willing to do without service for the sake of the difference in prices.

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Educating the Charge Account

(Continued from page 13)

for custom has made such practice common in the trade.

But credit costs money, and this cost falls either upon the customer or the merchant. Jones has figured that credit costs him 2 per cent a month. In this cost he includes the salary of bookkeepers, postage and stationery used in handling bills, credit losses and interest on outstanding accounts. That is, a ton of coal sold for $7.50, if carried for a month, costs him 15 cents more than if it had been paid for when purchased.

Here is his answer; it is simple and, he says, effective. Each ton of coal is sold with a bill attached that includes the 15 cents per ton that it costs to carry on credit. Across the face of the bill is stamped: "Fifteen cents less per ton if paid by the tenth of the month." If one is laying in a supply of coal, say ten tons, and realizes that $1.50 will be saved by early settlement, the chances for quick payment is good.

"We have more cash on hand since we started this plan than ever before," says Mr. Jones. "Our cash customers realize they are not paying the cost of extended credit to others, and they are satisfied; our credit customers see an advantage in prompt payment and are therefore interested."

The old-fashioned merchant who stood by and expected to lose a certain amount through credit each year is rapidly disappearing. It matters not how large or small the firm, how big the turnover each year, the effort to minimize this "credit loss" is bearing results. The dead-line is no longer established by soundness or quickness of settlement alone, but partly by the way the credit is used.

IT is commonly believed by many merchants, and not without reason, that credit means more business. Mrs. Smith will buy for cash what she absolutely needs, but finding it easy to say those magical words, "Charge it," she will buy more goods and they will be paid for. This is a credit for credit, a mark on the right side of the ledger.

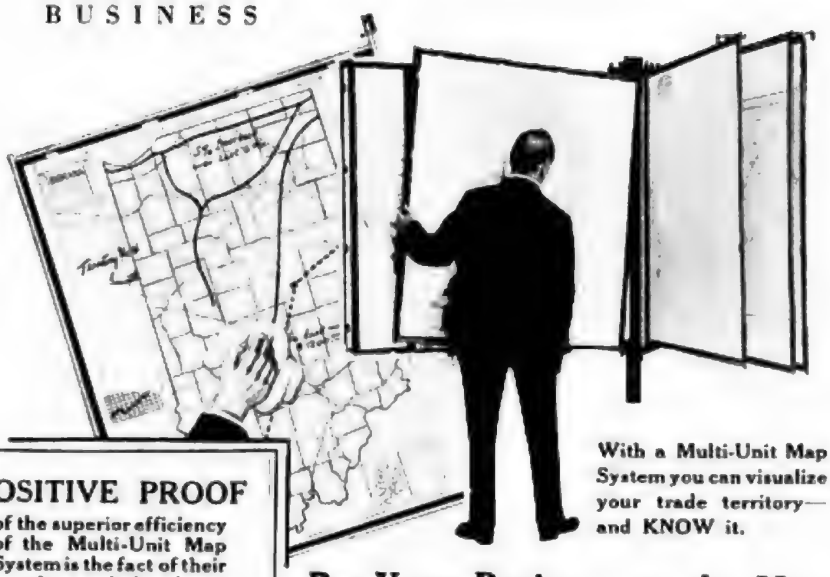
But there is another side to this story, too. A grocer in a live town in the middle west had an opportunity to buy out a competitor who operated on a cash basis. It was a comparatively small city, so it was a simple matter to carry out the experiment which he determined upon. He kept the transaction secret and did not appear in the cash store at all. It had its manager and its old corps of salespeople—trade went on much as under the guidance of its former owner.

Among the duties of the manager was that of keeping track of customers who visited the store. He was a local man and he knew the housewives from long experience; then, too, there were the telephone orders, which were self-identifying.

It was proved beyond doubt that a certain class of customers, whose bills were paid promptly on the first of each month, bought more from the cash store than from the "credit" store. It was found that many credit customers patronized the credit store only when the cash store did not have in stock the particular article wanted. Others patronized the cash store until the latter part of the month and then, when funds were running low because of an imperfect system of home economics, bought on credit.

The pyschology which makes the customer believe that goods bought on credit cost more has had ample material upon which to grow strong and flourish during these days following the war. Prices are up, and the use of the telephone and credit, many believe, gives the merchant an added opportunity to lay on stiff prices.

It is because of this trend of the times that it will pay the merchant to make a careful survey of his trade, to determine whether his credit extension is a profitable affair—whether it means more business and profitable business.



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Elastic Wages

(Continued from page 15)

period, resulting in an index number of 158, which it uses as a standard. It then divides the government's monthly index number by the standard number, 158, to get the per cent to be contained in the H. C. of L. envelopes for each month. For example, in July, 1918, the government index number had risen to 167, an increase of 5.7 per cent, which accordingly became the percentage of addition for that month.

The Index Visible, Inc., pays its employees their additional wages in a separate H. C. of L. envelope.

E. D. Keith, assistant treasurer of the Index Visible, Inc., writes:

"Our employees are mostly intelligent office help. In the factory we have only one or two who do not understand the system at the outset.

"If the cost of living should go below our standard index number, we would plan to take our chances with all manufacturers in reducing the wage scale, if that became necessary.

"The system appeals to us as being just to the individual and hence a protection to the company in reducing turnover by establishing a reputation for fair dealing."

The Mishawaka Woolen Manufacturing Company of Mishawaka, Indiana, uses Bradstreet's index number. At the time of inaugurating its plan, in February, 1918, this company was already paying its employees a 10 per cent bonus on account of the high cost of living. Its new plan was therefore called an "extra bonus" plan. It resembles, in operation, the plan previously adopted by the Oneida Community. The results of its experiments, however, are instructive and I quote them as I received them from L. T. McCollum, of the Mishawaka Company.

Period Ended	Paid	Rate	Index Number
Feb. 23, 1918	Mar. 29, 1918	7 %	17 [illegible]
Apr. 27, 1918	May 29, 1918	11¾ %	18.91[illegible]
June 29, 1918	July 25, 1918	13 %	19.184[illegible]
Aug. 31, 1918	Sept. 26, 1918	12½ %	19.018[illegible]
Oct. 26, 1918	Nov. 27, 1918	11¾ %	18.911
Dec. 28, 1918	Jan. 30, 1919	10 %	18.557[illegible]
Feb. 22, 1919	Mar. 27, 1919	6¾ %	17.81[illegible]
Apr. 26, 1919	May 28, 1919	10 %	17.25[illegible]
June 28, 1919	July 24, 1919	11¾ %	18.[illegible]
Aug. 30, 1919	Sept. 25, 1919	14½ %	19.[illegible]
Oct. 25, 1919	Nov. 26, 1919	16¾ %	19.[illegible]

Mr. McCollum writes as follows:

"Our extra bonus plan worked very satisfactorily while the bonus was increasing in size, but became less satisfactory as it became smaller, and when it fell below 10 per cent it caused quite a little dissatisfaction."

The Printz-Biederman Company of Cleveland, Ohio, manufacturers of "Printzess" suits and coats, is the only one to my knowledge that has tried the index number wage plan and abandoned it. Their plan was adopted January 2, 1918, and discontinued November 17, 1918. The reasons for abandoning the plan, as stated by

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Arthur C. Hoffman, factory manager, are:

"Because our employees never looked upon it as a regular part of their wages; when they would explain to you how much they were receiving they never would figure in this amount.

"As long as the price of commodities was going up and the index figure went up the employees were satisfied, but we knew that whenever the price went down they would be correspondingly dissatisfied and would feel that something was taken away from them.

"Our experience had shown us that extra dividends that are not included in the weekly wage do not accomplish the purpose for which they are intended. They neither stimulate production nor satisfy the worker.

"Since that time we have made a study of scientific standards and have been able to pay our employees more money as they produced more. Besides this, our wage rate committee, which meets once a week, controls the minimas on all operations so that our wages have also been, in this particular shop, higher than any other place in the industry."

It will be seen that the science of making practical a use of index numbers, as a basis for computing wages, is yet in its infancy. Except for the incident of Revolutionary days, 140 years ago, no serious attempt seems to have been made in this direction until the recent war.

The experiences quoted, with the one exception, all point to good results. Nearly all, however, suggest the thought that there may be a different story to tell when prices fall.

Trolley Rides at "Cost Plus"

(Continued from page 18)

5,000—of whom more than 3,500 live in the county in which Cleveland is situated—a total of $16,637,329.63, the remainder being represented by operating expenses, as allowed by the city, and by taxes.

Trainmen's wages have increased since 1910 from a minimum of 23 cents an hour to a minimum of 43 cents. The operating expense allowance granted by the city has increased from 11.5 cents per revenue-car-mile in 1910 to 19.5 cents. The income per revenue-car-mile, as that term is defined in the ordinance, ranged from 22.91 cents in 1910 to 34.55 cents in 1918—which is the latest year for which data is now available; and the revenue per passenger ride in the same period has increased from 3.48 cents to 4.42. Riders on the Cleveland Railway lines in 1910 numbered 228,607,813; in 1919 they numbered 402,808,820. In nine years Cleveland's population has increased from about 507,000 to nearly a million, or almost 50 per cent.

Cleveland car riders make no complaint concerning the cost of their rides. But they have complained, and loudly of late, concerning the overcrowding of cars. The present traction commissioner holds that this situation can be greatly relieved by the purchase of 100 additional cars, making improvements in current equipment and the changing of certain routes, and proposes that the cost be covered by the issuance of $2,500,000 in additional stock, the stock to be sold "over the counter," if necessary, to Clevelanders themselves. The president of the company, John J. Stanley, has expressed willingness to sell the stock, but doubts whether so large an issue can be sold.

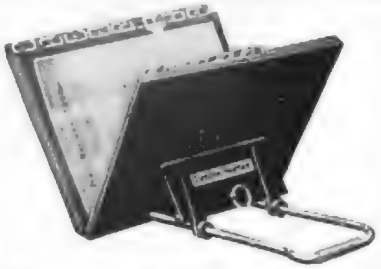
In his autobiography, which he entitled "My Story," Tom L. Johnson thus expressed his opinion of the Tayler grant: "Its greatest defect is that the management is entrusted to hands that have a pecuniary interest in its failure. They can reap no profits above 6 per cent; and, as the controlling stockholders have street railroad interests in other cities, they would like 3-cent fare to fail on account of its effect on those other interests. This interest in failure, however, does not extend to permitting them to earn less than 6 per cent on the Tayler valuation, for that loss would come out of the stockholders."

Balanced against this criticism is the comment of the dividend arbitrators of 1919:

"The Tayler franchise and the amendments thereto have been shown by ten years of trial to be sound in principle, practical in operation and of great benefit to the Cleveland Electric Railway Company, its stockholders and to the public. It has kept the company from exposure to the dangers and misfortunes that have overtaken the street railroad properties in most other large cities. The protective features of the franchise, together with the exceptionally high standard of railroad management and intelligent municipal supervision which the Cleveland Electric Railway Company has had, have resulted in giving Cleveland the best street railway service at the lowest cost of any city in the United States."

Advertises With Smoke

A wholesale cigar dealer in Harrisburg, Pa., has a novel and effective advertisement. The exhaust from the motor of his delivery wagon is connected with a huge dummy cigar mounted on the roof, and as the car flits about the city smoke issues from the end of the cigar. The sight not only attracts attention, but impresses upon the beholder the name of the advertiser.



THE INSTANT REFERENCE FILE

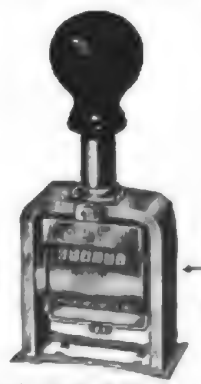
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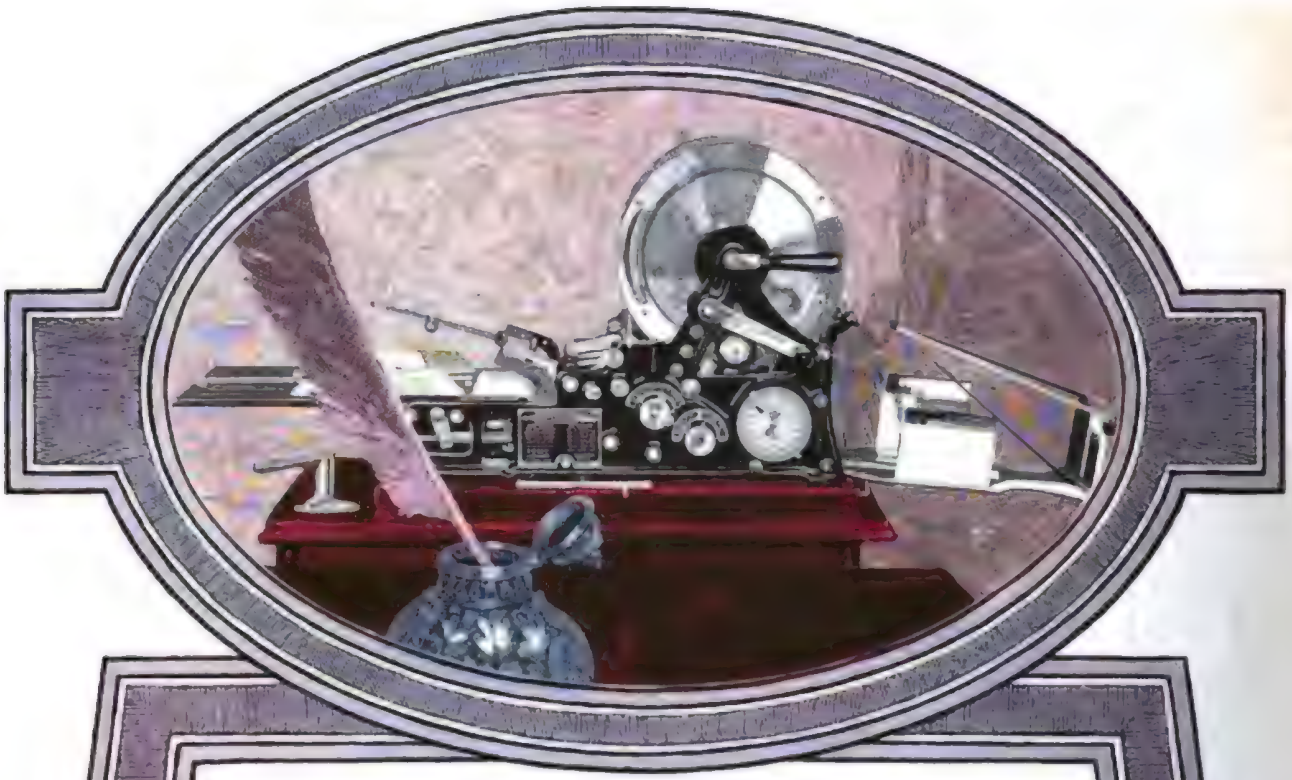
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Volume one
Number ten

JULY, 1920

Lucien Kellogg, *Editor*
W. D. Humphrey, *Business Mgr.*

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Profit Taxes and the H. C. of L.

By BENJAMIN EMERSON CUSHING



EVER SINCE America broke into the World War in 1917, Mr. Average Business Man has been kicking about the high cost of excess profits taxes, just as Mr. Average Citizen has complained about the high cost of living. In each case there has been plenty of "cussing" and discussing, but no relief. This is because:

1. Few people seemed to realize that excess profits taxes are to blame for the high cost of living.

2. Those who did so realize have not been brave enough to insist upon abolishing such taxes because they know the government needed the money and took it for granted that the excess profits taxes, which supply more than half the total federal revenue, were necessary to obtain this money.

But the public has at last woke up.

There has now appeared on the scene a group of men who have literally taken the tax bull by the horns. They assert:

1. That the high cost of living is caused by the excess profits tax law.

2. That the excess profits tax should be abolished and with it all corporation income tax, thereby largely reducing the cost of living.

3. That all income should be taxed in the hands of the individual, thereby insuring a fair division of taxes on the basis of ability to pay.

4. That corporations should be compelled to distribute their net income up to perhaps 50 per cent, thereby placing it in the hands of individuals, where it may be taxed, and that heavy taxes should be imposed upon undistributed earnings to force their distribution.

5. That the scale of rates for income taxes should be adjusted annually to meet the government budget, thereby insuring sufficient revenue and at the same time requiring the federal government to adopt a budget system.

Not only have these men outlined this new and radical tax program, but they have drafted a plan for obtaining its adoption by congress, which takes it out of the realm of idle theory and makes it a positive, practical force.

The men responsible for this undertaking are the members of the special tax committee of the National Association of Credit Men. Representing, as they do, through their organization, 30,000 of the leading manufacturers, wholesalers, jobbers and

What the Excess Profits Tax Is

The excess profits tax is a tax at a graduated rate of 20 per cent of the earnings of all corporations above 8 per cent on what is termed "invested capital" and 40 per cent on all earnings above 20 per cent on this invested capital. In addition there is a flat income tax on what is left of the earnings.

This tax is levied on present earnings, but the rate of tax and the exemption is dependent on the "invested capital," and this invested capital is computed not on the present value of the assets of the business, but on what was paid for it possibly many years ago and without regard to the fact that the corporation may have spent large sums in developing the value of the property.

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bankers of the nation, they have at their back the strength to command recognition before congress. They have already obtained endorsement of a substantial portion of their program from Secretary Houston, as was shown when the secretary in a recent statement to the Ways and Means Committee of the House urged "simplification and fundamental modification or repeal of the excess profits tax at the earliest possible future date."

As a foundation for its proposed reform this special tax committee of credit men made an exhaustive study of taxing conditions which revealed startling illustrations of the inequalities and unscientific principles of the present tax system.

Prominent among the points scored against the existing excess profits tax as revealed by this survey are:

1. Every concern that makes a return figures the tax as a cost of doing business and adds it to the price of the product. Thus the tax is passed along until in multiplied form it reaches the ultimate consumer. The consumer pays for it in everything he buys. This condition is the chief cause of the high cost of living.

2. The law encourages waste and extravagance in business because it exempts business expenses from the operation of the act. Where 80 per cent of the net income is taken for taxes, as in the case of many large corporations, there is little or no incentive to show a large net income.

3. The law discriminates unfairly between the individual in business for himself or in a partnership and similar individuals who make up a corporation; also between a corporation of established form with only a small amount of "invested capital" and a newly-formed concern with much larger "invested capital;" likewise between the small stockholder and the large stockholder in the same corporation.

As illustrative of the pyramiding of the tax and its effect on the cost of living, E. H. Jaynes, of the Cleveland-Cliffs Iron Company, Cleveland, member of the committee, takes the case of an ordinary ten-penny nail. He points out that nine separate and distinct excess profits taxes are paid upon this nail, each being added to the cost of the nail, which makes it little wonder that the price of the nail to the ultimate user is out of all reason. What applies to the nail applies equally to all other necessities of life.

Here are the nine taxes on the ten-penny nail listed by Mr. Jaynes:

Tax 1. Paid by the company which mines the iron ore.

Tax 2. Paid by the company which carries the ore to the port on Lake Erie.

Tax 3. Paid by the dock company which unloads the ore.

Tax 4. Paid by the railroad company which carries the ore to the blast furnace.

Tax 5. Paid by the blast furnace which smelts the ore.

Tax 6. Paid by the steel mill which transforms the pig iron into steel.

Tax 7. Paid by the factory which makes the nail.

Tax 8. Paid by the wholesale hardware house which buys the nail from the factory.

A, B, and C are members of a partnership. A owns 3 per cent interest, B owns 30 per cent, C owns 67 per cent. The partnership has a net income of $100,000, which it distributes. Then A, B, and C pay taxes as follows:

	A	B	C
Income	$ 3,000	$30,000	$67,000
Tax	40	3,890	15,270
Per cent of tax	1.33%	13%	22.8%

A, B, and C are stockholders with the same percentage of holdings in a corporation which earns the same income of $100,000, all of which is distributed after paying 30 per cent excess profits tax. Then A, B, and C pay taxes as follows:

	A	B	C
Share of income before 30 per cent tax is paid	$ 3,000	$30,000	$67,000
Income distributed after tax is paid	2,100	21,000	46,900
Excess profits tax borne by each	900	9,000	20,100
Personal income tax on distributed earnings	0	800	4,808
Total tax	900	9,800	24,908
Per cent of tax	30%	32.66%	37.17%

Chart No. 1

Tax 9. Paid by the retail hardware dealer who sells the nail to the ultimate consumer.

Need there be any further proof of the fact that the excess profits tax causes the high cost of living? Possibly not, but there is plenty of other proof.

Aside from the well-known method of many large corporations in paying their officials exorbitant salaries to cut down the amount of net income shown on the tax statement, there is the extravagant and lavish use of advertising. Many people believe that advertising expense is added to the cost of the advertised product and that it further raises the cost of living. Advertising insanity is also responsible to a considerable degree for the present paper shortage, which has sent prices to new heights and imposed additional burdens upon all users of paper products.

R. G. Elliott, of the Jacques Manufacturing Company, Chicago, chairman of the credit man's tax committee, supports this contention regarding advertising by quotations from advertising, newspaper and government authorities. He points to Printer's Ink, which recently said: "The volume of advertising today is unprecedented. No doubt the excess profits tax leads to much incautious expenditure. Because of these buoyant times many are seeking to do in advertising that which cannot be done." The Chicago Daily News he quotes as follows: "The extra drain on the paper supply is attributable to the unprecedented volume of advertising, and this in turn is said to be due in large part to the existence of the excess profits tax law. Business concerns in many cases prefer to use excess profits in advertising rather than give up a heavy percentage in tax." He also points to the 1919 report of the secretary of the treasury, who says: "Still more objectionable is the operation of the excess profits tax in peace times. It encourages wasteful expenditures, puts a premium on overcapitalization and a penalty on brains, energy and enterprise, discourages new ventures and confirms old ventures in their monopolies."

Going into the inequalities of the excess profits tax law, the committee cites four as outstanding:

1. Lack of distinction between lines of business.

2. Discrimination between individuals or partnerships in business and similar individuals in a corporation.

3. Injustice in the definition of "invested capital."

4. Penalty against the small stockholder as compared with the large stockholder of the same corporation.

Let us consider the first of these factors. The excess profits tax is based on the principle that all profits over and above 8 per cent on "invested capital" are inordinate and excessive; it makes no distinction as to the nature of the business, simply assuming that business is business and that a fair return on capital in one enterprise is a fair return on capital in another enterprise, although the hazard of the two may be entirely different.

Government bonds draw capital at less than 8 per cent, but would capital invest in the production of oil or metals with the chances of a dry hole or an unproductive mine at the government bond rate? The production of oil and

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metals, however, is necessary to the country, and capital must have its reward if it is to accept the hazard. Most of our new inventions never would have been developed if they had depended upon capital with an 8 per cent return and no compensation for losses.

The next factor is discrimination against corporations. In the case of individuals, partnerships or personal service organizations, the business is not taxed as an entity, as are corporations, but such concerns are split into their constituent parts. These parts are the individuals who are associated together in the entity. Therefore the tax is applied on the income of the individual in proportion to his ability to pay. This is fair. But in the case of a corporation a flat tax is levied without any regard to the individual stockholder's proportion of the earnings or his ability to pay. This is unjust. How this works out is illustrated by Charles D. Joyce, of the A. Colburn Company, Philadelphia, member of the credit men's tax committee, in Chart 1.

The third factor is invested capital. This is another of the jokers in the excess profits tax measure. The allowance of 8 per cent on "invested capital" results in an actual exemption of anywhere from 2 per cent to 8 per cent on the money invested in the business, depending on whether the company's accounts have been kept so as to fully reflect the value of the assets. The rate of tax is also dependent on the "invested capital."

S. J. Whitlock, of Belding Brothers, Chicago, member of the tax committee, gives a graphic illustration of how unjustly the "invested capital" feature of the law works out. He compares Jones & Co., which has $500,000 invested in the business, but whose books have been so kept that its capital account appears to be only $250,000, with Harris & Co., whose books show that the capital account reflects the full value of their assets of $500,000. He assumes that each concern has a net income of $100,000 and figures that Jones & Co. would pay a tax of $32,660 while Harris & Co. would pay only $20,060. (See Chart 2.)

The fourth factor is the penalty against small stockholders. W. M. Kennard, of Graupner, Love & Lamprecht, New York, also a member of the same special committee, takes the case of John Smith, who owns $10,000 worth of stock in a large corporation. It represents his life's savings. He is old and infirm and unable to work, and depends upon the 10 per cent annual dividends of the stock for his living expenses. He pays no income tax because his $1,000 return on his investment constitutes his entire income. But under the excess profits tax the corporation, with the same earnings as before, pays a tax of 30 per cent. It has left only $700 of Smith's share of the profits to pay to him, so that in effect Smith has paid a tax of $300, which is not right. Or suppose the corporation increases the price of its product so as to pay the 30 per cent tax and still have enough left to give Smith his $1,000 dividends. Other corporations do the same. The price of necessities thereby increases until what Smith was able to buy for $1,000 before now costs him $1,300 and he still pays an indirect tax of $300, which is no more right than the direct tax.

JONES & CO.			
Capital invested in business			$500,000
Invested capital as defined by the law			250,000
Net income		$100,000	
Less			
Specific exemption	$ 3,000		
8% on invested capital	20,000	23,000	
Income taxable as below		$ 77,000	TAX
20% of invested capital	$ 50,000		
Less exemptions	23,000		
Taxable at 20%		$ 27,000	$ 5,400
Total income	$100,000		
Less 20% invested capital	50,000		
Excess of income over 20% of invested capital and taxable at 40%		$ 50,000	$ 20,000
Total income as above	$ 77,000		
Excess profits tax			$ 25,400
Income tax			
Net income		$100,000	
Less			
Excess profits tax	$ 25,400		
Specific exemption	2,000	27,400	
Subject to 10% income tax		$ 72,600	7,260
Total income and excess profits tax			$ 32,660
HARRIS & CO.			
Capital invested in business			$500,000
Invested capital as defined by the law			500,000
Net income		$100,000	
Less			
Specific exemption	$ 3,000		
8% invested capital	40,000	43,000	
Income taxable as below		$ 57,000	TAX
20% of invested capital	$100,000		
Less exemptions	43,000		
Taxable at 20%		$ 57,000	$ 11,400
Income tax			
Net income		$100,000	
Less			
Excess profits tax	$ 11,400		
Specific exemption	2,000	13,400	
Subject to 10% income tax		$ 86,600	8,660
Total income and excess profits tax			$ 20,060

Chart No. 2

The remedy, according to the credit men, is fivefold:

1. Eliminate the excess profits tax.
2. Eliminate the corporation income tax.
3. Substitute a corporation undistributed earnings tax at a graduated rate that will encourage payment of dividends: (a) Not less than 50 per cent of net income in any year must be distributed in dividends; (b) Dividends paid from earnings of prior years on which corporation has paid the undistributed earnings tax not to be considered as income to the individual stockholder; dividends not to be paid from surplus until earnings of current year have first been used for that purpose.
4. Dividends to be subject to the normal tax in the hands of the individual.
5. Rates of taxation on personal incomes (both normal and surtax) to be adjusted to meet the requirements of the budget.

In working out the undistributed earnings tax two points would be kept in mind: (a) to provide the government with the approximate amount of revenue which it would derive from the individual stockholders in case the earnings were distributed; (b) to graduate the tax so that the larger the percentage of undistributed earnings, the higher the rate. The rate might be, for instance: 20 per cent on undistributed net income up to 20 per cent; 30 per cent on income between 20 per cent and 30 per cent; 40 per cent on income between 30 per cent and 40 per cent; 50 per cent on income between 40 per

(Continued on page 34)

The Store Puts On a Party

What the Public Saw When William Taylor Son & Company Staged a Celebration—and What the Public Didn't See

By ARTHUR H. LARGE

THIS is the story of a birthday party at which the hosts and hostesses were 1,700 men and women and the guest list comprised the population of a city of about 900,000.

As a piece of society reporting this story is likely to be unsatisfactory in several particulars. For one thing it will be impolite, for it will tell things that usually are omitted from the public chronicle of a party. It will tell just why the party was put on—which is a thing that, in the best-bred circles, is usually left to the imagination. It will reveal the mechanics of the affair, the technic of it and the stagecraft. It will go behind the scenes and mess around among the decorations and the palms and the potted plants and discuss intimate details about the preparations for the event and the management thereof. It will reveal, in dollars and cents, what certain items cost, and it will tell why they were thought worth the expense.



One of the exhibits of wearing apparel of the period of 1870

Furthermore, to complete the confession, this story isn't written to report the event at all. Its ulterior motive is to expose the methods by which the party was staged, to the end that other hosts and hostesses may use this account, or parts of it, as a guide for staging parties of their own. And now that the plot has been revealed, let us proceed with the story.

The department store of William Taylor Son & Company, of Cleveland, was fifty years old in April, 1920. That, to revert for the last time to the style of the society reporter, was the occasion of the function. From April 21 to May 1, for ten days, the Taylor store gave a party—a Golden Jubilee. As an event, this jubilee surpassed anything in the mercantile history of Cleveland and of Ohio. In its general conception, in its cost, in the elaborateness of its detail, it takes place easily as the biggest merchandising event the city has ever seen. And in tangible results, as expressed in totals of sales during the ten days, it compares favorably with similar events that have been staged in cities larger than Cleveland—New York, Chicago, Philadelphia.

In motive, the jubilee was a sale. But this purpose was twofold, and only its secondary phase was the volume of business that could be done during the ten days. The primary purpose was to "sell" the Taylor store, the Taylor institution, the Taylor fifty-year-old mercantile personality to the people. It was a sale, but what Amos Parrish, Jr., the Taylor advertising manager, called a "glorified sale." And the thing that impressed the outside observer was that this glorified sale was "put over" and made a big event, big in conception and execution and in the strictly commercial sense of its return in sales volume, and still kept as dignified as if it were entirely what it was in part—the commemoration of a historic happening.

"The jubilee was planned to be more of a celebration than a sale," said Mr. Parrish. "It was planned to be in keeping with the bigness of the thing for which it stood—the celebration of the fiftieth anniversary of the Taylor store, Cleveland's first one-price drygoods store."

And this end was sought in two ways. One of these was what the customers, the public, saw in their contact with the store—in the advertising, in the window trimmings, in the store decorations, in a motion picture that ran in one of the leading theaters simultaneously with the jubilee, in the historical exhibits (within the store) of fifty-year-old merchandise and in the special, strictly modern-day merchandise that was offered for sale, but was not "on sale."

The execution of plans for the jubilee was actively begun six months before the opening date. There were many meetings of the general executives, department heads and buyers. Many of these conferences were in the form of dinners and banquets. Orders for the merchandise, the decorations and other equipment were placed. The scenario for the film was written and approved and its production was begun. A special writer was engaged to prepare a souvenir booklet that was to be a glorified booklet, a history not of the store but of Cleveland. Contracts were placed for billboard space—the first to be used in the city for such a purpose. The delivery department had been needing additional equipment and an order was placed for nineteen high-grade motor trucks, long enough in advance so that they might be delivered in time for the jubilee.

Special attention was given simultaneously to the collection of historic exhibits, mostly of wearing apparel, of the period of 1870. In this task much

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assistance was volunteered and given by customers and other friends of the store. Thus there was made available an assortment of things—soft-colored Paisley shawls, poke bonnets, one of which was contributed by the woman who wore it to the opening of the Taylor store in 1870; ivory fans; gingham parasols; a complete bridal trousseau; knitted robes, and even a murderous-looking corset of the model of 1870. Notable among the exhibits, also—and not so easily acquired as the rest—was a lavender silk gown, completely covered by a bodice and overskirt fashioned entirely of hand-made point lace. The gown was the handiwork of eighty Belgian women; it was made in 1870 and required six months in the making. It was discovered by the London agents of Taylor's and cost the Cleveland store just $20,000. The gown and the other exhibits were labeled, placed in special glass cases and exhibited in the store during the jubilee.

The first public announcement of the jubilee appeared in the regular Taylor store space in the three Cleveland newspapers on March 22, a month in advance. Even this was kept down to a comparatively small "box" of text. Following this, and daily until the opening of the jubilee, there was a daily reference in the newspaper space to the impending event, and the space devoted to it was enlarged. Uniformly, however, the "sale" significance was kept out—in fact, the word "sale" was definitely barred from all the copy. The theme was purely historic and institutional. In advance of the opening date, with the jubilee copy always separated by rules from the rest of the Taylor space, the historic motif was carried out of the boxes and into the copy and illustrations referring to the daily current merchandise. Thus the illustration of an item featuring a modern-day gown or suit would have in its background, in miniature, a miss of 1870, resplendent in the quaint raiment of her day. Illustrations of millinery, parasols, men's and boys' clothing, and so on, were treated in the same way. Moses Cleaveland, founder of the city of Cleveland, was frequently pictured.

Following the first newspaper announcement and preceding the opening by a few days, came the billboard "splash" of fifty-one boards. Here the design was of the purely announcement type, hand-painted—two heralds, with trumpets, and between them a panel inscribed, "Taylor Golden Jubilee, April 21 to May 1." The same design, on a smaller scale, was placed upon removable panels that were screwed to the sides of fifteen of the nineteen new motor trucks that had been delivered and placed in service early in April. And, by the way, the meticulous care with which all the details of the jubilee were planned and worked out is attested to by the fact that these panels on the sides of the trucks also were hand-painted and they cost $55 per panel, or $110 for each truck.

"*CLEVELAND'S* Golden Story" was the title of the historical souvenir booklet. Although it contained much original information and was based upon research work by a university professor, this 100-page narrative did not present the customary collection of dry, statistical facts, but offered rather—as its title page set forth—"a chronicle of hearts that hoped, minds that planned and hands that toiled to make a city 'great and glorious.'"

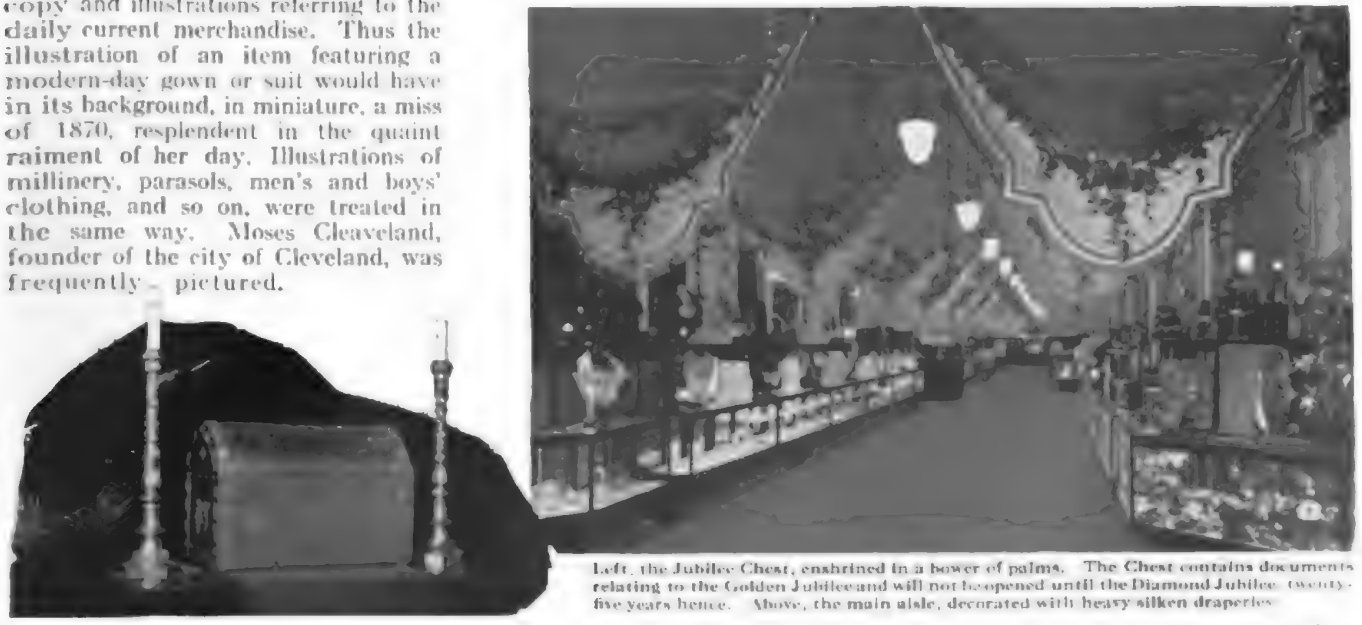
Similar in conception and treatment was the jubilee "movie," shown as a news feature in the city's leading motion picture theater during the first week of the jubilee. This bore the title of "Fifty Golden Years," and while the tie-up with Taylor's was more direct than in the case of the booklet, the film retained a real news interest. The greater part of its footage presented a portrayal of people's styles and manners and customs over fifty years. Shown in its regular place at every afternoon and evening program of the theater, the film was followed by a style show with living models and actual styles—shown "by courtesy of Taylor's"—that began with a party gown of 1870 and ended with the overallettes of 1920-plus. The movie and style show, be it noted in passing, uniformly drew applause—and this from the sort of audiences that patronize first-class 30- to 50-cent cinema theaters in a metropolitan city.

Dignity and simplicity—these attributes became apparent in an analysis of the window trims and interior decorations of the store. Gold, appropriately, predominated in the color scheme. Gold was worked into the leafy backgrounds and the floor coverings in the window displays and into the white silk draperies over the store aisles.

Again the half-century idea was applied in four contests, offered for public participation, with cash prizes for the winners. One of these was for an essay, limited to 300 words, on "Cleveland in 1870" and open only to contestants more than fifty years old. Two others, open to elementary school and high-school pupils, were for essays of 600 words on "Cleveland's Progress in the Past Fifty Years." The fourth, open to all residents of Ohio, was for a poem on "Golden Cleveland."

Another feature—not exactly of the nature of a contest—in which the public participated was the giving of a silver spoon and golden bowl to every baby born during the jubilee, whose name was registered by its parents with the store management. "These," it was announced, "are to be

(Continued on page 26)

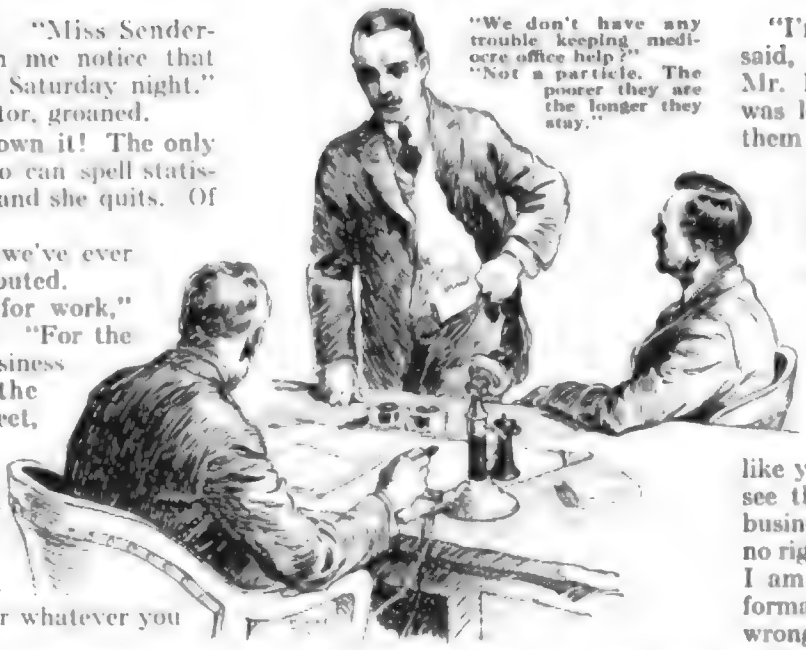


Left, the Jubilee Chest, enshrined in a bower of palms. The Chest contains documents relating to the Golden Jubilee and will not be opened until the Diamond Jubilee, twenty-five years hence. Above, the main aisle, decorated with heavy silken draperies

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"If That's What You Get!"

By WILBUR HALL



WAYNE said: "Miss Senderson has given me notice that she leaves us Saturday night." Barrows, the auditor, groaned.

"I might have known it! The only girl in the offices who can spell statistics or differential—and she quits. Of course! She would."

"The best typist we've ever had," Notter contributed.

"And a glutton for work," someone else added. "For the first time since business was invented by the Israelites in Wall Street, Palestine, I find a girl who can take on extra work without moaning—so she just naturally has to leave us. It isn't luck—it's predestination, or whatever you call it."

The president had been leaning back, listening. He laid down his cigar and—as he usually did—jumped the track of details and came thundering down the main line of elementals.

"When a tree begins to shed its leaves in midsummer," he remarked, to no one in particular, "it is no indication that there is anything wrong with the leaves. Do any of you know why Sprague and Company loses its best employees?"

"That's just the trouble, Chief," young Wayne, the general manager, replied. "If I knew I would look for a cure. But I'm stopped."

"We don't have any difficulty keeping mediocre office help?"

"Not a particle. The poorer they are the longer they stay."

"Perhaps we are not paying enough."

"I never heard that complaint. We pay for what we get—same as most houses."

"Perhaps these valuable people of ours are picked up by other firms, who use good bait."

"I don't think that is the rule," Wayne said. "For instance, Miss Senderson tells me that she doesn't know where she will go from here."

"Didn't give any reason for leaving?"

"No. She said one peculiar thing—that she wouldn't explain. I don't get any meaning out of it at all."

"What was it?"

"I told her that every man in the executive offices would miss her, because they all wanted to give their dictation to her. And she stopped me right there. 'Oh, if that's what you get!' she said, and walked out. I tried later to find what she meant and she only smiled and said she wasn't talking. She meant it, too."

"'Oh, if that's what you get!'" President Sprague echoed. "Hm-m-m! 'If that's what you get.' Send the young lady to me, will you, Wayne?"

"If she'll come," Wayne growled. "She is a mighty independent person."

She was; but she knocked at the president's office door that afternoon and came in at his summons, looking rather pale but very determined. Employees of the Sprague Company did not make a practice of going to the sanctum of A. R. Sprague; the place had a sort of awing effect, even on the self-reliant and very capable Miss Senderson.

"*WILL* you sit down, young woman?" the gruff old gentleman said. "That's better. You aren't afraid of me?"

Miss Senderson smiled.

"A little," she confessed. "But I might get over it."

"I wish you would. I want to offer you some money."

"I'm afraid you have misunderstood about my case, Mr. Sprague," she interrupted. "That is, if this has to do with my resigning."

"It has to do with your resigning, all right," the old man said grimly. "But it has nothing to do with an offer of more money to induce you to stay with us. I want to pay you outright—your own price—for ten minutes of the truth, the whole truth, and nothing but the truth. Do you want to do business?"

The girl colored.

"I'm afraid not, Mr. Sprague," she said, doubtfully. "Mr. Wayne and Mr. Barrows both asked me why I was leaving. And I couldn't answer them very well without criticizing and appearing to tell tales. If you don't mind, Mr. Sprague—it doesn't seem to me to be any of the firm's business why I'm leaving."

President Sprague frowned and struck his desk.

"It isn't any of our business to ask you why you are leaving, Miss Senderson, but it is our business to find out why people like you keep on leaving us. Do you see the difference? It is part of my business to learn, but since I have no right to demand answers from you, I am offering to pay you for the information I get. Is there anything wrong with the proposition?"

"No-o. But you will understand that I am not complaining or criticizing?"

"I won't promise to do that, Miss Senderson. But it is only by getting at complaints and criticism that this business can be improved. I'm offering to pay you for criticism and for complaint. Now, do we deal?"

"You think I might help?"

"I am willing to write you a check in advance on the chance that you will." The president drew out his checkbook. "How much shall I make it?" he inquired.

"Oh, I don't—"

"One hundred dollars enough?"

"Mr. Sprague! I couldn't—"

"There it is. Now are you ready?"

The girl had the discernment to see that the president was in earnest and that her move was to play up to his lead. She took the check, examined it, folded it and put it in her bag.

"Yes, I'm ready," she said, in a tone as matter-of-fact as she could command.

"Very good. You don't mind smoke? . . . Thank you. How long have you been with Sprague and Company, Miss Senderson?"

"Four years last May."

"Got your first job here?"

"No, Mr. Wayne hired me from Peters and Nolan. I was there eighteen months—stenographer and bookkeeper."

"Been treated all right here?"

Miss Senderson flushed. She was a very good-looking young woman at

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normal—when she flushed she was something more than that. President Sprague didn't object to good looks, but he was even more interested in her clear eyes and a quick way she had of using very firm, capable white hands in expressive gestures. She spread these hands on the table between them as she spoke, palms up, and with the slightest lift as she extended them.

"In the ways you mean, Mr. Sprague," she said, directly—"yes."

"In the ways I mean?"

"Yes. The men in the office are businesslike and courteous. I have been well paid. My hours—my fixed hours—were not hard."

The president smiled.

"Come, come, Miss Senderson," he said, good-humoredly, "you are beating around the bush. What I am paying for is the truth and the whole truth."

"Then the whole truth is, Mr. Sprague, that the worst thing one of your employees can do is to be efficient."

"What!" The old man sat up straight, dropping his cigar to the floor unnoticed, and frowning portentously. "How's that? What you say begins to sound like pique."

Miss Senderson shrugged, but she took the sting from the movement by smiling.

"You see, Mr. Sprague," she observed, "that you don't like what you think is complaining any better than anyone else does. But I am trying to give you your money's worth. May I explain what I mean?"

"You'd better," he grunted, reaching for another cigar, with a face redder than the girl's had been a moment before. "Go ahead—you can't stop where you are."

"I say that the greatest mistake one of your employees can make is to be efficient, Mr. Sprague, and I mean it. Did you happen to know Tommy Finch, Mr. Wayne's chief clerk?"

"Left us about a year ago, didn't he?"

"He did. He left us because he was too efficient. Clara Rollins, head of your mailing room, left shortly after I came here; afterwards I found out that it was for the same reason."

"Red-haired girl? Yes, I knew her, too. Clever. Go on."

"There have been a number of others. And I can tell you now that one or two more—valuable persons to you—are going to leave as soon as they get the courage to make the plunge. Your best clerks and stenographers go more or less the same road."

"You're an observing woman," Sprague remarked, mildly. "It's a wonder I don't quit. I used to think I was valuable to the house myself."

MISS Senderson did not even smile. "If you were on the pay-roll instead of the dividend books of Sprague and Company, you would," she said, firmly. "But being at the top there is no one to take advantage of your efficiency."

"Oh-ho! Advantage, eh? So we're getting at it now?"

"Yes, sir. When I came here I was accustomed to doing all the work I was given and doing it as quickly and as accurately as I could. I am not claiming any credit for this; the last thing I want to do is to compare myself with anyone else in your offices. My father taught me to be quick and thorough—it was natural to me. I liked work. I wanted to get through."

"And you did?"

"When I was with Peters and Nolan I was the only office assistant except a construction clerk, who also kept the stock books. It was a small office. In those days I used to get through with my work and be able to leave early if I wanted to. When I first came here I could get through all I was given in half a day. That condition lasted about a week."

The old president chuckled.

"They found more for you to do, eh?" he inquired.

"Yes. Plenty. At the end of the first month I was taking dictation from Mr. Wayne and Mr. Barrows and most of Mr. Norris' letters, and besides was working on the filing system to bring it down to date. The files were about four months behind, in several departments. And they were badly arranged—it was a poor system. I couldn't work with a poor system, so I changed it."

"I see. Well, you say you like work."

"I do—in reasonable doses. And I don't think I should have been driven to resign if it had only been the work, Mr. Sprague. There was something so much worse to put up with that it became unbearable. It has grown worse instead of better. I'm through."

"Well?"

"I will have to complain again, Mr. Sprague," she replied, hesitatingly. "But it isn't a complaint against any person; it is against the system. The efficient employee in your offices not only becomes the most overworked—takes all the load the traffic will bear—but she becomes the most unpopular and unhappy and hated! There you have it—and I'm glad it's out!"

The president took off his eyeglasses, threw away his cigar, drummed on the table for a time. Finally he said, slowly:

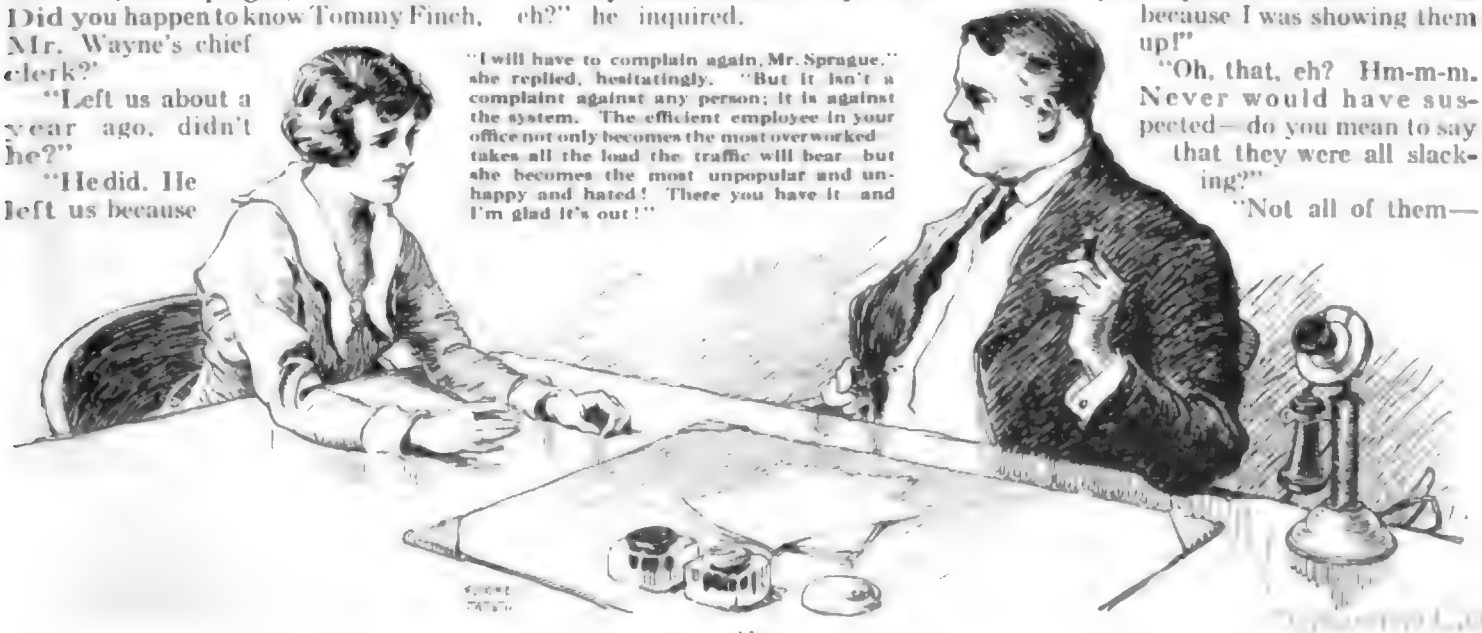
"I guess I see, Miss Senderson. When we found out you could work and would, we overloaded you from above. And when the other office people found that you could work and would, they began to dislike you. Thought you were trying to curry favor with your higher-ups, didn't they?"

Miss Senderson raised a hand quickly.

"You miss the point there, Mr. Sprague," she said, emphatically. "It wasn't jealousy, for a moment. It was because I was showing them up!"

"Oh, that, eh? Hm-m-m. Never would have suspected—do you mean to say that they were all slacking?"

"Not all of them—



"I will have to complain again, Mr. Sprague," she replied, hesitatingly. "But it isn't a complaint against any person; it is against the system. The efficient employee in your office not only becomes the most overworked takes all the load the traffic will bear but she becomes the most unpopular and unhappy and hated! There you have it and I'm glad it's out!"

and not exactly slacking, Mr. Sprague. But they had a certain—speed—a certain gait. I had a faster one. They wouldn't change theirs; I couldn't change mine. They saw me getting more work, which they didn't mind at all. But when they saw me *doing* it, they began to dislike me. 'Oh, lay off a little,' was their pet expression to me."

The president sat thinking for some time in silence. Miss Senderson pretended to look out of his eleventh-story window, but in reality she was watching him closely. The slightest smile began to play presently about her lips. The gruff old executive was taking the medicine without water. After a few moments he drummed on the table again with his finger-pads, shifted in his seat, eyed the girl.

"Seems to me," he remarked, "that Wayne quoted you this morning as saying, 'Oh, if that's what you get!' Wayne didn't know what you were talking about—and no wonder. Do I know, now?"

Miss Senderson laughed mirthfully.

"I think you do, Mr. Sprague."

"All right. Then there is that much out of the way. Now, you say that the fault lies in the system. You'll have to be pretty convincing on this point, young woman, because I'm told that we have a very first-rate office system in Sprague and Company. Efficiency experts have gone through the plant—"

"And missed the only important weakness you have!" Miss Senderson interrupted. "The average efficiency engineer is about as useful to you as a marine engineer would be to a section boss. Your difficulty isn't in appliances or office equipment or card systems; it is human. If I thought the men and women in these offices were slackers—were lying down on the job—I would have very little faith in American business. The real trouble is that they won't go looking for work that isn't laid out for them to do. They do what they are given. If they are not given enough—and they were not, at the first, in these offices—they begin to measure their speed by the necessities of their jobs. They made the duties they had coincide with the hours they were employed to spend here. When your work increased, you and the other executives put on speed. The clerks did not. They kept the old gait and your office work piled up. So you hired more clerks."

"You have a good head and a clear eye, Miss Senderson, if you don't mind my noticing it. I follow you so far. Go farther."

Miss Senderson colored again, and the president liked the effect. But scenery was not what he was most interested in at the moment. He grunted and relighted his cigar. The girl went on:

"Well, Mr. Sprague, you hired more clerks and stenographers and filing girls and office boys and most of them instantly adapted themselves to the office pace. A few couldn't stand that pace. Tommy Finch was one of them, and there was Clara Rollins, and Baxter Brown, and Mrs. Welling—and myself. We had to keep busy. You and the other officials let us. You thought we were wonders because we did a fair day's work—whereas we were only exceptions in an office of people who made a four-hour job string along into eight. Did you try, ever once, to bring anybody else up to our speed? You did not. You loaded us with more jobs, which was rather discouraging, and more important to me, at least, you made the other employees hate us. Now you want the remedy, as I see it, I hope."

THE president smiled.

"I was just estimating," he said, "that I had gotten about fifty dollars' worth out of this conference. I'm waiting for the rest."

"I hope you find it cheap at the price," Miss Senderson smiled. "The remedy is so extremely simple that it is only recently that business men have been able to discover it—and Sprague and Company is still behind the times to the extent that it hasn't waked up. The answer to your whole office weakness is the office manager."

"Oh, fudge!" the president ejaculated.

Miss Senderson rose, a little abruptly.

"Some day you will get your second fifty dollars' worth," she said. "I hope the day comes soon. Is there anything else, Mr. "

"Oh, see here, young woman," the president growled, pulling himself partly out of his chair, "you mustn't mind me! It's only my way. I was thinking out loud. Sit down again—there's a nice girl! Now, what I was thinking was that other men I know of have tried the office manager scheme and they tell me that it means nothing more than the addition of a new name to the pay-roll and a lot of internal friction. I can get friction without any expense, my dear."

"Of course you can," Miss Senderson said. "I'm not going to be foolish enough to urge anything on you that you don't want. But office managers may be failures just as presidents may be—or stenographers. It depends on how they work. All Sprague and Company needs of an office manager is to see that the work is divided up among the efficient and capable people in your outer office, and that no one slacks on the job, just as that no one carries more than his share. It is as simple as that."

President Sprague turned his chair about so that his back was on his caller. He sat there so long that Miss Senderson began to conclude that he had gone to sleep. At the end of five minutes she rose softly to leave. He wheeled about; barked suddenly.

"Want the place—say, at two hundred a month to begin with?" he demanded.

"Do I? Office manager? Why, I don't know anything more about it than I've told you, Mr. Sprague. You must be joking me."

"Think so?" He leaned forward, touched a button, turned towards the door. A stenographer appeared. "Take this memorandum to the treasurer, please, Miss Sully.

"Beginning Monday, please be informed that Miss Senderson, formerly of Mr. Wayne's department, will report to me as office manager, at a salary of two hundred dollars per month. Miss Senderson will have the following duties—"

There ought to be a happy ending to this story.

There is. President Sprague told me about it himself.

"Heard the two girls talking as I was going through the hall one day," he said. "One said: 'What do you think about that stylish Miss Senderson getting a cinch? Pretty soft, I'll tell the world.'

"Girl Number Two comes back: 'You'll have to say for her that she was a hard worker in the steno department, anyhow!'

"'Sure,' said Number One. 'Well, if that is what hard work does for the hard-working girl, take it from me, Sally, I'm going to be the busiest little thing around this hive of industry from now on. I'll say I will—*if that's what you get!*'"

And this year, the president tells me, Miss Senderson will be worth four hundred a month to the house and will receive it.

"The greatest engineering achievement is the scientific management of men."
ROBERT LOUIS STEVENSON

Big Sales on Small Margin

By RALPH M. STEELE

THIRTY-FIVE salesmen, five telephones, four auto trucks and four delivery wagons are ample to serve the customers of Piel's Grocery Store of Belvidere, Illinois, a thriving little city of 6,000, on ordinary days. But when the Saturday rush comes they have to hustle to keep up.

Piel's store operates on a small margin of profit, sells only the best quality of goods, advertises regularly, promotes organization within the store and departmentizes grocery stocks with a special buyer in charge of each department. Behind it all is the leadership of W. H. Piel, whom customers and salesmen know as Billy, and who works harder than any other person in the store.



A typical display in Piel's Grocery Store. The window contains 3,000 pounds of cheese

In the first place Mr. Piel buys in quantities and passes the resulting saving along to the customer.

After buying a carload of coffee, three thousand pounds of cheese or a hundred chests of tea in order to get a cheaper price, Mr. Piel appeals to his customers to take it off his hands. It's a straightforward appeal, as much as to say, "I bought plenty so there will be enough to go around at the low price. Now if you don't want to buy it I cannot buy as cheaply next time." But he doesn't have to beg for customers—they flock to his store. He has built up confidence to such an extent that he can buy almost unheard of quantities and turn them quickly.

Take, for instance, the purchase of a whole carload of Monarch coffee. The idea of one store in a town of 6,000 buying coffee in carload lots sounds almost preposterous. Billy Piel not only said it could be sold but he said, "We will sell a carload of coffee in this store in twenty days." There were no "hope to's" or "ifs" about it. It was a declaration.

The effort to turn this carload of coffee in twenty days started within the store before the coffee arrived. Mr. Piel gave his salesmen a banquet. They drank Monarch coffee. They talked Monarch coffee. They were told what Billy Piel expected of them. Those salesmen returned to the store the next morning talking coffee. They told each customer that he could buy coffee at a special price next week; that he could buy at even less than this special price by buying in two-, three-or five-pound lots. Piel's regular two-column ten-inch advertisement in the Belvidere Daily Republican talked about coffee.

The coffee came and so did the crowd. A cup of hot coffee, with biscuits, awaited each visitor to the store. Almost every purchase included coffee—coffee from the carload lot. Mr. Piel continued his work from the inside by giving banquets for his sales force almost every night. Never was their enthusiasm allowed to wane.

In the allotted twenty days thirty-five salesmen sold the carload of coffee; sold it almost before it had been billed. But the sale did something else; it created a taste and built up a permanent market for coffee of that brand and price and thereafter that coffee had to be ordered in quantities to meet the demand.

The world's largest cheese was sold in Piel's store in much the same way. Billy Piel bought from a Chicago wholesale house the world's largest cheese—one weighing 3,978 pounds. When it came he had to get a derrick to lift it into place. For three weeks he kept the cheese on display. This time the salesmen and customers were talking cheese—the world's largest cheese. Newspapers gave the cheese deserved mention in the news columns. Placards announced that the world's largest cheese would be sold in four days. Again no "ifs" or "ands"—just a statement of fact. Customers commented; salesmen commented.

Four days before Christmas John La Fevre, a retired grocer, wielded the knife with much ceremony and delivered the first piece to the highest bidder in the crowded store. Almost a third of the cheese was gone before nightfall. In exactly four days and one hour the last piece of the world's largest cheese was sold, some of it being sent to New York City, some to Montana, and some to the Oklahoma oil fields.

Since that event Mr. Piel often cuts one or two 500-pound blocks of cheese to satisfy the regular Saturday trade.

Mr. Piel makes it a point to feature a different article every day. One day he advertises that he is going to sell seventy-five cases of canned pineapple at $4.15 a case. The next day it is pickles, tea, flour, potatoes or some other commodity. He often sells these features at a scant profit, or no profit at all, knowing, of course, that most customers will buy something else before leaving the store. Even if they buy only the one article they are learning Piel's telephone number and following the path to Piel's store.

Right on the floor with his salesmen, working harder than any of them, is Mr. Piel. He builds from the inside by leadership. He creates confidence in the employees by giving them additional responsibility. He depends upon the man in charge of the cheese and butter department to buy cheese and butter. The same applies to fresh vegetables, coffee, canned goods and other lines.

Mr. Piel has four women answering telephones, so his customers will not have to wait. He has regular routes for six delivery trucks and wagons and keeps two trucks in reserve for special orders. With such methods and ideas Mr. Piel has built up a business that is known all over northwestern Illinois.

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Betting On a Sure Thing

Why the National Lamp Works Surveyed Its Market, What the Survey Revealed, and How the Information Was Used

By W. E. UNDERWOOD

WHEN COLUMBUS timidly expressed the belief that one couldn't possibly sail over the rim of the world and drop off into abysmal space, the college professors hooted him, and if there had been any alienists or insanity specialists then, as there are now, no doubt a committee of these learned gentlemen would have sent him to some Spanish Matteawan. Navigators eventually proved that Columbus wasn't so crazy after all.

Just such mistakes are made every day in advertising and selling, simply because big manufacturers so frequently guess instead of know who sells and who buys their products and what is the frame of mind of the average buyer or seller. Some dynamic sales manager or advertising expert says, "Here is your market, and your prospective buyer thinks thus and so, hence you should sell to him in such and such ways."

It is quite possible that this man's premises may be all wrong, or perhaps they were right ten years ago or even five years ago, but are out of focus now. Yet this imaginary view of the market and of retailer and consumer psychology has become so thoroughly accepted that it remains unquestioned and unchanged year after year and is used as the fundamental basis of all sales, sales promotion and advertising effort. Men come and go within the organization, but the old mental picture of the market is handed down from old men to young and it becomes a tradition, holy and inviolate.

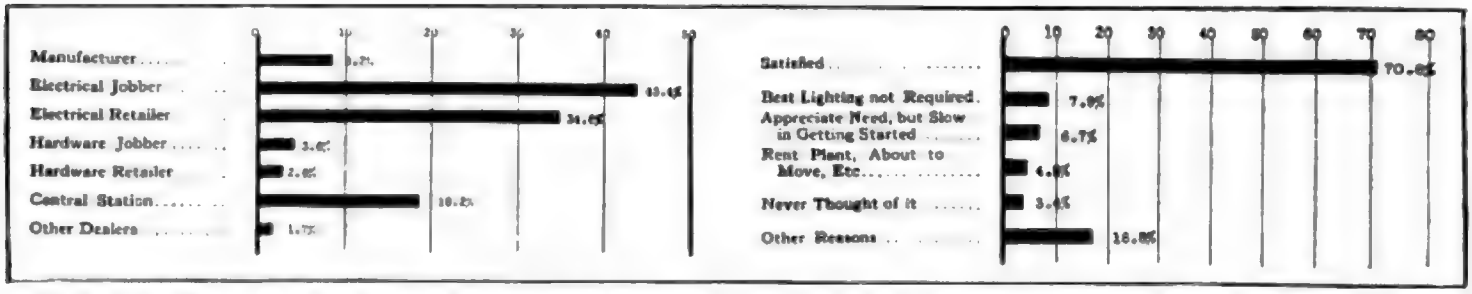
The larger the business, the easier it is to arrive at wrong conclusions about the retailer and the "ultimate consumer." The manufacturer of a nationally-used product, for example, may sell practically nothing direct to the consumer. In fact, so to speak, the manufacturer is only a second cousin twice removed from the consumer. The big manufacturer may sell to the large distributor or wholesaler, who in turn sells to smaller jobbers, who sell to retailers, who sell to the buying public. It's like the old line, "This is the dog that worried the cat that killed the rat that ate the malt that lay in the house that Jack built." Hence it becomes increasingly evident that the home office men who dictate advertising and sales policies are so far separated from both retailer and buying public that it is next to impossible for them actually to know much about either at first hand or even at second hand, inasmuch as the manufacturer's own sales force touches primarily only the jobber and not the retailer or consumer. Nevertheless the manufacturer is constantly advertising to the ultimate user and his sales force should be constantly instructing the jobber's salesmen, not only how to sell goods to the retailer, but how to train the retailer in turn to sell the product to his trade.

CERTAINLY it is of vital importance that the selling and advertising activities should be based on a most intimate knowledge regarding the user of the product and of the retailer. Furthermore, neither of these links in the buying chain will stay put. The state of mind of the consumer and his pocketbook are variables. Every change in your product or its use, every new product in other lines, reacts on the retailer and the prospective buyer. Evolution makes the prospective buyer desire your product today either more or less than yesterday, and all this has a bearing on what your course should be in making him want your product, in leading him to buy and in educating the retailer to do his part.

To know the consumer and the retailer intimately, the large manufacturer must devote a certain amount of time and money to investigation. It matters not how the investigation is made if it produces the required facts. It may be by means of questionnaires sent through the mail to many retailers and users or prospective users. It may be personal investigation by salesmen or other representatives of the manufacturer. It may be a personal survey by professional business investigators hired for this purpose. Or it may be a combination of any or all of these means of arriving at the bedrock facts.

It is easy enough to see the logical value of market investigation, but more difficult to visualize the profit in dollars and cents and to see how the results of such investigation may be practically applied. The recent market investigation conducted by the National Lamp Works of General Electric Company furnishes a striking example of what an investigation may reveal and how the information thus derived may be put to use in sales promotion.

The investigation centered on the subject of industrial lighting and the events leading up to the survey may be of some interest. First, be it known that the National Lamp Works is a manufacturer of Mazda lamps, with a gross annual business of approximately twenty-four million dollars. These lamps are a staple necessity, sold in every community in the United States by local retailers who are served by jobbers. The direct representatives of this concern therefore do not come into contact generally with the retailer nor with the consumer. Yet the National Lamp Works advertises constantly to



The chart at the left indicates the channels through which the industrial plant obtains lighting equipment, showing at a glance a direct market for jobber and retailer and a relatively indirect market for the equipment manufacturer. The chart at the right shows the reasons given by factory executives for failure to improve the lighting of their plants. Lighting salesmen call this the "Alibi Chart" because it shows them the excuses for not buying better illumination—excuses which they must expect to meet and overcome

the consumer and supplies sales suggestions, advertising helps and educational matter to the retailer.

Industrial plants, factories and mills constitute one of the greatest fields for Mazda lamps and the rapid industrial expansion of recent years has greatly augmented this field for the sale of lamps. At this opportune time the completion of a number of carefully conducted tests proved conclusively that the poorly-lighted factory could increase production from 8 to 30 per cent merely by substituting good illumination for poor—a stupendous gain for a comparatively small investment. Lighting experts long had known that better illumination tends to increased production, but they did not realize how great was the part that lighting played, and they had access to no definite facts or figures. The discovery of this condition, together with recent improvements in lamps and other lighting equipment, opened up vast new selling possibilities.



One of the advertisements based on facts revealed by the survey of industrial lighting conditions

The sales and advertising men then came to bat. "Wonderful ammunition," said they; "but how many factories are not already well lighted?" "To whom should we tell these new things—factory manager, purchasing agent or plant electrician—and will they accept such revolutionary stuff?" "Where do factory men go for lighting assistance?" "Will they go to our jobbers and retailers?" "Will our retailers cash in on the new movement?" The sales and advertising staff could venture guesses—shrewd guesses probably—but no one could positively say Yes or No to any of these questions and back up his statements with real facts, simply because information then available in regard to the prospective industrial lighting buyer and the retailer could not be applied to the new situation.

The next move, therefore, was a comprehensive survey which covered nearly 500 industrial plants and nearly 300 dealers. Professional investigators were employed and trained through several weeks of study so that they became reasonably good judges of illumination and familiar with such lighting matters as would concern both the industrial executive and the dealer or electrical contractor. The investigators, in their interviews, tried to draw out the person interviewed and induce him to volunteer information rather than merely to reply to direct questioning. Not only were they successful in this course, but without exception they were well received, interviews in many cases being with big executives and lasting for hours.

THE SURVEY covered the fifteen principal manufacturing states and included all representative industries, all sizes of plants and all conditions of location. Interviews were obtained with factory executives such as managers, superintendents, presidents, treasurers and with purchasing agents, plant electrical engineers and electricians. The investigation among dealers covered the same localities and included lamp and lighting dealers and contractors of every description.

From the reports of the field investigators the fund of new information was analyzed, summarized and, for the most part, graphically charted. This fund provided a definite, conclusive answer to each of the questions that had so long remained unanswered. Several previous conclusions were discarded and many new and hitherto unsuspected and useful truths became apparent. It was discovered that almost any question in regard to dealer or consumer in the industrial lighting field could be answered merely by going back to the investigators' original reports and cross-analyzing and averaging them for this particular information.

Thus it happened that the survey became in effect a cross-sectional view of the industrial lighting field which might be handled for commercial purposes much as the scientist handles a slide under his microscope.

The survey became the foundation of all industrial lighting advertising and sales promotion which the National Lamp Works has carried on for the last year. Many pages in color have been used in the Saturday Evening Post to acquaint factory executives with the extreme importance of good illumination as related to production. The right copy angle for these advertisements was clearly pointed out by the survey, so that there has been not the slightest question as to whether it was along the correct lines.

Similarly, advertising to stimulate and instruct the electrical contractor-dealer towards greater and better directed industrial lighting sales effort has been featured in nearly all of the electrical trade papers. Here again the correct method of approach was dictated by the survey.

Still further to aid the contractor-dealer and also the jobber's salesman, a booklet, "The Great Discovery," was supplied—a booklet containing some of the facts from the survey and embodying the sales points for better industrial illumination in such shape that the dealer might easily present them to the factory executive. This book also contained several excellent illustrations of "before" and "after" pictures, showing the poorly-lighted factory interior and the same interior after new lighting equipment had been installed.

The outline of this booklet has been

Continued on page 53

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Brown and the Brunswick

Some of the Methods by Which One Man Has Built Up a Business of $400,000 a Year in Phonographs

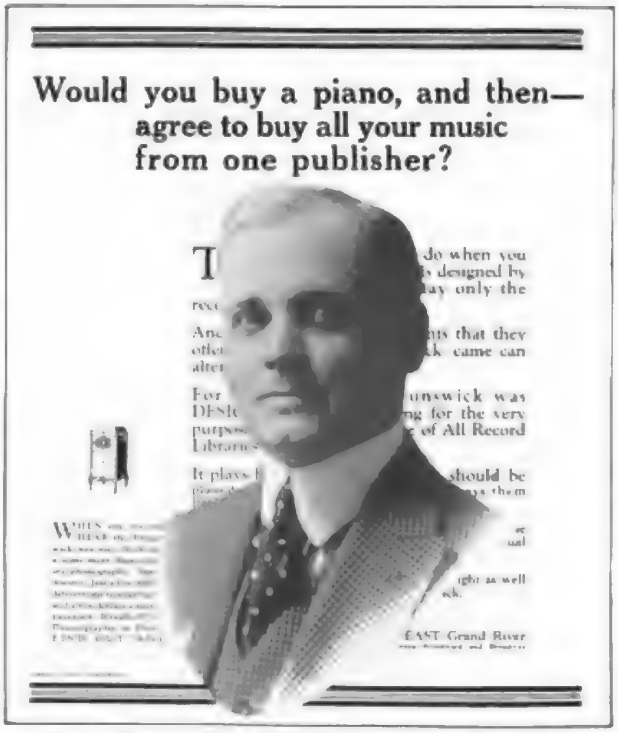
By WILLIAM C. SPROULL

WALLACE BROWN has been selling things in Detroit for only a few years, yet so familiar has his name become that to many people it seems as if they had known him always.

Back in the old days—before Detroit expanded into the million-population class—Wallace Brown was selling one of the pioneer phonographs and linking his name in his advertising with the name of the manufacturer. Then he switched to another machine, went off Woodward avenue, the city's busiest thoroughfare, and into East Grand River avenue, two blocks away.

"Business suicide," declared the wise ones, sadly shaking their heads.

"He will never pull the customers over there," they continued. "It's away from the beaten paths, and it would be tough enough for a merchant to sell a known article, let alone trying to sell Brunswick phonographs, which are absolutely new in the market."



Wallace Brown, the man who tells you why "Your Next Phonograph Will Be a Brunswick"

Wallace Brown, of course, thought differently; in fact, he knew. He began advertising. He used all sorts of newspaper space, from large display advertisements to smaller eye-catchers. He instructed his sales force in his own method of selling.

The prospect on entering the store is greeted with a smile. Then he is asked to step into one of the comfortable booths. Like as not, he has remarked that in passing he stopped in to hear the Brunswick.

"What sort of a phonograph are you using now?" the salesman asks. This timely bit of flattery usually succeeds in drawing out an explanation.

"Well—er—my wife and I were talking about buying one," comes the reply. "We haven't one now, and we were just looking around." Or the customer may remark that they have any one of a half-dozen other makes. In case it happens to be a Wallula or a Verner the clerk has instructions to play records of that identical make.

The salesman's leading question, carefully chosen, has evoked an answer creating the points to be emphasized in his selling talk. The customer has not owned a phonograph, or has favored one of another make, or has owned one of another make.

"The Brunswick is a comparatively new machine," says the salesman, "but the manufacturers have had the advantage of combining in one instrument the good points of all the others and eliminating the objectionable points in some of the other machines."

"You probably have heard John McArthur singing on the Verner," says the salesman.

THE customer nods assent.

"Very well, now I am going to play one of McArthur's records on the Brunswick. Just listen to the rounded-out tones and the volume this machine gives to his songs. There is an absence of metallic sound. Listen carefully as McArthur starts to sing. You can hear every note, every word very distinctly. I think you will find this record more like John McArthur than you ever heard it before."

The prospect, his attention having been called to this point, listens attentively. He hears every word. He is unconscious of the fact that he never has listened so intently to a phonograph before; his interest is fully aroused.

"Doesn't that record sound fine on a Brunswick?" the salesman asks. He lifts the needle from the half-finished record and selects a bit of grand opera, but without advising the hearer of his choice. "In this next record I want you to notice a very delicate high soprano note. Listen for that note and notice the absence of any metallic sound or harshness of any kind."

The prospect is hearing grand opera. His attention called to certain notes, he again listens with all his might. When the feature for which the record was chosen has been played, the salesman steps to the machine as if to stop it. If the listener makes no attempt to prevent an interruption of the record the salesman lifts the needle. That is his cue: the prospect cares little for grand opera.

"Here is one of the new song hits. In hearing a new song at a show you always want to understand every word. That is what you want to do when that song is played on a phonograph, yet few phonographs bring out the words clearly enough for that. Now listen to this record. Every word is distinct. Listen, especially, for the letter 's,' which isn't reproduced at all by many phonographs. You would have no trouble in hearing words direct from this phonograph, would you?"

Again the prospect listens to every word as directed.

A jazz record follows. The prospect appreciates the fine volume in the Brunswick. He believes the Brunswick will play better dance music in his home than another machine will do. He is told to look for these things before the machine is started.

While the salesman is explaining technical points of the Brunswick let us glance back and study the moves during the early part of the demonstration. Wallace Brown, the man who, with a new machine, built up an

annual business of $400,000 in less than three years, has a reason for every move he makes—or has his salesmen make—in a demonstration.

"Let us consider our lead question," Mr. Brown explains. "We say, 'What kind of a phonograph are you using now?' The common answer is 'None'. But an explanation of some kind follows and in almost every instance it includes the names of the machines the prospect is interested in, how interested he is, and why he is interested. We don't ask for the information; he volunteers it. He is flattered to think that we believe he owns a phonograph.

"Every man who comes into our store is pre-sold on the idea of buying a phonograph. If he voluntarily tells us who or what pre-sold him we can follow the clue and show him that the Brunswick is the kind of machine he needs. If he bursts out with a remark such as, 'If I had one I wouldn't be here looking for another,' we are relieved. The sooner we find out he is hard-boiled the better we can handle him.

"Once we get this information, we do not want the prospect to talk any more. We do the talking.

"We do not ask the prospect what he wants to hear. Maybe he could not name a record off hand; that would embarrass him. If he did name one the chances are we would not have it handy; that would embarrass us. Anyway, we know what we want to play for him.

"In this case the customer mentioned the Verner. There's our cue. He has heard the Verner tone. He expects on any phonograph the same thing he heard on a Verner. No matter what machine he is accustomed to, the tone of that machine—whether good or bad—is the tone he will expect in a phonograph. The first record we play for the Verner enthusiast is a Verner specialty—for what Verner owner fails to play John McArthur regularly? Then we can ask him if he likes the way the Brunswick brings out McArthur's voice from a Verner record.

"We never play a record all the way through. That would leave a break. If we stop in the middle of the piece the prospect is eager to know what is coming.

"Then we want to know whether his conception of music is grand opera or jazz. We avoid the direct question by putting on a selection from grand opera without warning him, our excuse being to let him hear a certain note. After a few strains, the salesman steps to the machine as if to stop it. Right then he can tell the tastes of the prospect. The lover of good music will resent any interruption of an opera. If the prospect had cared for classical music he would have insisted on hearing the entire record. Then we would have talked about beautiful tones, exact reproductions, how the Brunswick plays the works of noted artists prepared for all machines and other quality points. But he offered no protest. Assuming then, that he will play many jazz records, we play popular music. We show him that the words are so distinct he can learn them from the phonograph.

"By the time this point has been reached in a demonstration the salesman knows accurately the prospect's frame of mind. If he has made good headway in the demonstration it is time to get down to closing the sale. If not—well, there is a way out.

"Let's assume that the prospect in question is 'hard-boiled'; he is skeptical; he doesn't take interest in the demonstration; in plain words, he is not following us. Right then it is time to stop talking your product and get the prospect to talking.

"'What line of business are you in?' is always a good lead from which a live salesman can discuss building conditions, bricklayers' problems, contracting, or any subject that interests him. As soon as you talk about his problems he takes an interest in you. Keep up a conversation like this for five minutes or more. You are getting him in a proper mood to talk your business later. Here is the chance for the salesman to use his personality and his knowledge of psychology. The conversation need not be business. Change the subject with a remark: 'That is a splendid piece of cloth in your suit. Would you mind telling me where you bought that?' It pays."

Mr. Brown has applied psychology in planning the remainder of his demonstration also.

He found by analysis that an apparently "lost" customer is either:

(1) Unsold;

(2) Sold, but does not buy.

If he remains unconverted to the Brunswick the salesman must concentrate his efforts on converting him on certain points in the machine. The points on which the prospect withheld approval had better be retold.

If he is converted but does not buy, he falls into one of three classifications. He is:

(1) A natural procrastinator;

(2) Dissatisfied with price or terms, or—

(3) Lacks authority to buy.

These classes are distinct. Upon classifying the prospect, the salesman ignores the other phases and concentrates his effort on one point.

In handling the man who is always "looking"—forever postponing—Mr. Brown advocates change of conversation to the problems in which the customer is deeply interested. The present unsettled condition of the world is a good topic just now, for by agreeing that the world would be better if there was less indecision, the salesman is paving a way to bring the thought home to the customer that it is time for him to make up his own mind.

In dealing with the second class, the salesman goes over the terms with him and often offers better terms than formerly—not a lower price—but



Wallace Brown believes that an advertisement should be a selling talk; that instead of generalizing it should emphasize specific talking points. Note how he applies this principle in his copy. This advertisement also illustrates an important principle of arrangement; note how the trail of records leads the eye from the phonograph in the upper right-hand corner to Wallace Brown's signature in the lower right-hand corner

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a payment plan that will suit the prospect. This class is usually forestalled by letting them name the approximate amount they want to pay down and their monthly payment. Mr. Brown allows his salesmen considerable latitude in fixing terms. He instructs his salesmen to undersell rather than oversell a customer.

Now comes a customer who is quickly listed in the third class.

"I do not want to buy anything until I talk it over with my wife," he says. He thinks he lacks authority.

"Here's the idea," the salesman argues. "Your wife is interested in a phonograph and you are convinced that the Brunswick has advantages over any machine you have heard. Now there's a fine chance for you. Send a Brunswick out to the house today as a surprise for her. She will appreciate the surprise and you will all be satisfied."

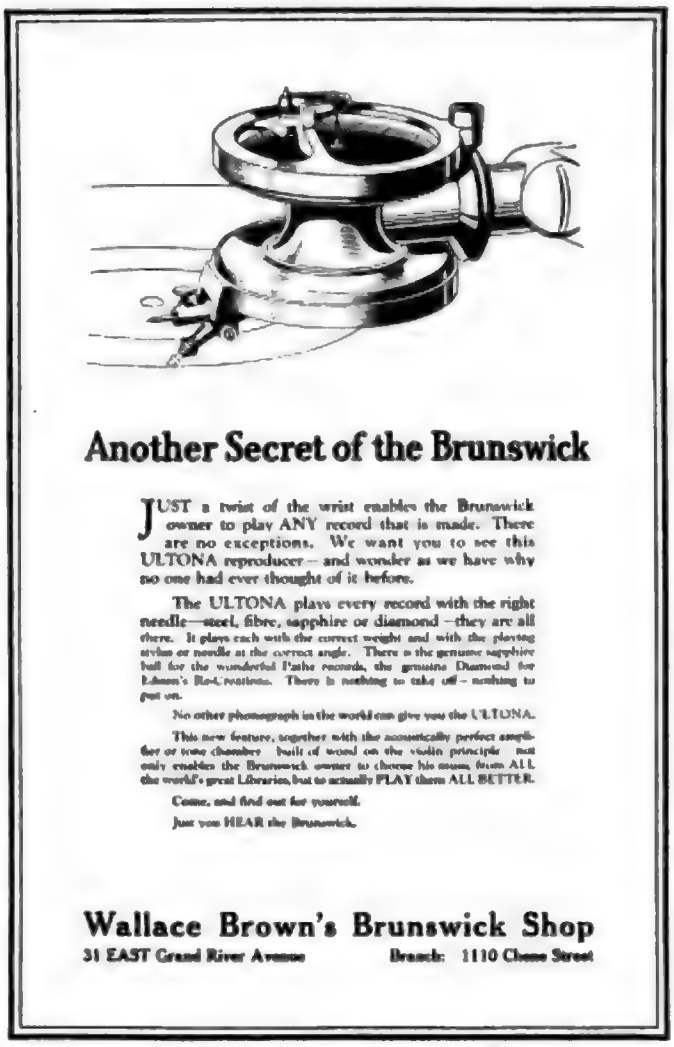
Arguing this point a little further, the salesman finds that this man will not buy today.

"We are very glad you came in to hear the Brunswick," the salesman says, offering to hold the customer's coat. "Mr. Brown wants everyone to hear the Brunswick. I would suggest that you hear the others, then bring your wife to hear the beautiful tone of our machine. You see, we will have to depend upon your coming back to let us know what you decide, for Mr. Brown will not permit us to take your name or address or to call you."

"That's peculiar," the visitor interrupts.

"Yes, Mr. Brown might be called peculiar that way. He doesn't allow any bell-ringing—in fact, no selling outside the store. All our selling is done right here in the store where the customer has the advantages of hearing different machines, picking the models he wants, hearing a variety of records and discussing any number of points he wants to know about. Then, too, people do not want to be hurried along when they make such a purchase. They don't want to be hounded in their home by salesmen.

"Another idea Mr. Brown has developed is that of talking in his advertisements just as he would in conversation with you. Did you notice the advertisement the other day calling your attention to the shape of the horn? That's a peculiar thing. Few people ever noticed the shape of the horn—just take a look at the horn in that machine I was playing for you."



He talks facts to you in his advertisements as he would in his store

The customer goes back to the demonstrating room. The salesman has talked him out of the notion of leaving. Note this: the salesman has not turned the prospect over to another salesman; he has just taken another chance at him. In Brown's store one salesman never turns a customer over to another.

IT IS possible that the customer will even feel that the salesman differs with Mr. Brown in his ideas of selling phonographs. But the salesman is converted to the idea, for the plan under which Mr. Brown has built up such a large business in a specialty shop in three years has worked to the advantage of the salesman. He is making 125 per cent more under this plan than he did under the old. He has better work and he has better training. In fact, by following Brown's ideas in selling, he actually sells 75 per cent of all those to whom he demonstrates. He sells 40 per cent on the first interview and if the husband comes along, he makes it 60 per cent. If he deals with men alone, who do not fear a wife's veto, he runs well above 90 per cent.

Bringing the entire business into the store was not accomplished over night. It took practically two years. Wallace Brown started three years ago with a product that few people in Detroit had ever heard of. His policy was one of education. First, he studied the selling problem from a psychological standpoint, analyzing every possible situation that might arise. He formulated a principle to cover each situation and trained his salesmen to apply these principles. Then he entered upon the task of educating the public to the Brunswick.

This was accomplished by extensive advertising. Entering the phonograph field years after other firms had been selling machines, Wallace Brown assumed that everyone knew of the "soothing influence" of music in the home; that everyone knew that a machine had been invented that would reproduce the voices of even the greatest singers; that it was possible to dance by the music of a phonograph. He set out to talk Brunswicks—just as he would talk to a customer in a store. In other words, instead of trying to convert people to the idea of buying phonographs he converts them to the idea of buying the particular phonograph he sells—the Brunswick.

His advertisements are selling talks. He talks the shape of the horn, the material in the machine, the adjustable weight that permits playing all records, the needle, the tone, the motor. He asks you in a bold headline, "Can your phonograph play all these records?" He asks you why you restrict your selection of records by choosing a machine that will play records of only one make. He shows a picture of the Ultona Reproducer, showing how simple it is to adjust it to play any record. And every advertisement asks you to investigate before you buy; to hear the Brunswick play records of all makes; to hear the tone of the Brunswick.

Glance a minute at the copies of the advertisements reproduced. They were used in Detroit newspapers and they brought results. His advertisements are aimed directly at competitors, for he is using only selling talk. Mr. Brown talks facts, for, as he says, "We talk facts in the store; why talk generalities in the newspaper columns?"

His slogan, "Just you hear the Brunswick," has come to be a byword

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The Chart of Co-related Sales

By OTIS R. TYSON

MOST MERCHANTS recognize, I believe, that one way to reduce the percentage of the cost of selling is to increase the average amount sold to each customer. This may be accomplished by either of two ways: by "trading up" the unit—that is, by selling the customer an article of a higher quality and price than the one he asked for—or by selling him other articles in addition to the one which was the specific object of his visit.

To a limited extent the average customer is susceptible to both methods, but I sometimes wonder whether merchants are utilizing the second method—the "plus method"—as fully as they might.

The retail drug field offers a splendid opportunity for the exercise of this method, and it has been my good fortune to be able to observe the results which it produces for a western company that operates a chain of thirty-three retail drug stores. Possibly the best proof of the success of the plan is the fact that in the last two years this company has increased its average sale almost 50 per cent, while the percentage of costs of selling has remained stationary. Increased prices, of course, have played a part in increasing the amount of the average sale, but as an offset to increased prices there has been the factor of increased salaries.

Rarely do we see a salesman making the most of his chance to suggest to a customer an article closely related in use to the one already called for and bought. A customer, for instance, buys a tooth brush; consider the opportunity for turning his thoughts to a tooth brush cylinder case, a dentifrice, a dental floss or a mouth wash. Sometimes a single suggestion will recall to the customer a number of needs. The result—a well-filled sales check.

"But doesn't the customer resent such suggestions?" I asked the sales manager of this company.

"Only when the salesman is aggressive and tries to impose his will on the customer," he replied; "never when he offers his suggestions in the spirit of helpfulness."

In this organization the executives work on the theory that 25 per cent of the sales checks should contain at least two items. If the ratio is fair in this organization it should be equally fair in any drug store—in any specialty store, in fact, where the salespeople have an open field for suggestion. The success of the plan requires only that the salespeople shall know their stock, have the merchandise classified in their minds as to co-relations, and persistently watch for opportunities.

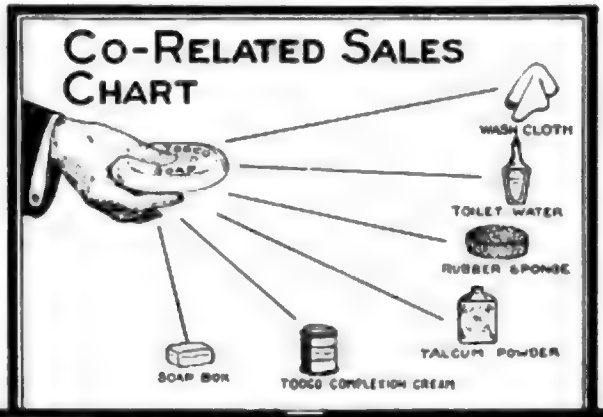
The general sales manager and the various store managers keep what they call the "second item" campaign alive every minute of every business hour. It is a frequent topic at salespeople's meetings. It is featured in the employees' monthly magazine by means of carefully prepared charts showing groups of co-related articles.

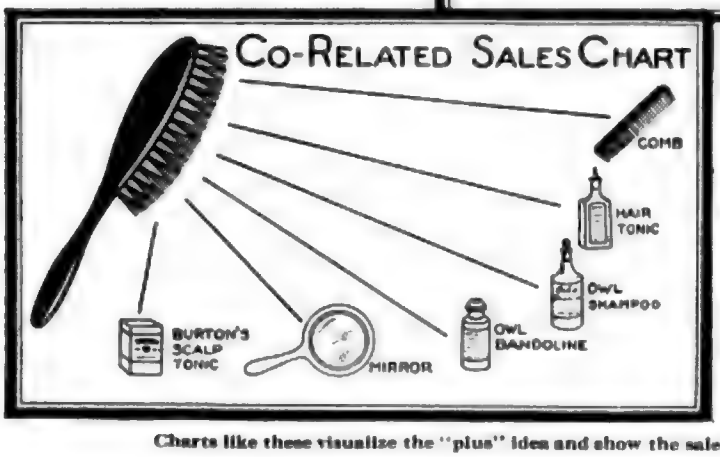
Window and interior displays are often built along the same lines—a shaving supply display containing everything relating to shaving or a hair brush display containing tonics and shampoos. The same idea, too, is embodied in the company's newspaper advertising. A complexion powder advertisement usually contains at least a mention of a powder puff, and a beach cap advertisement mentions water wings and bathing suits as sub-features.

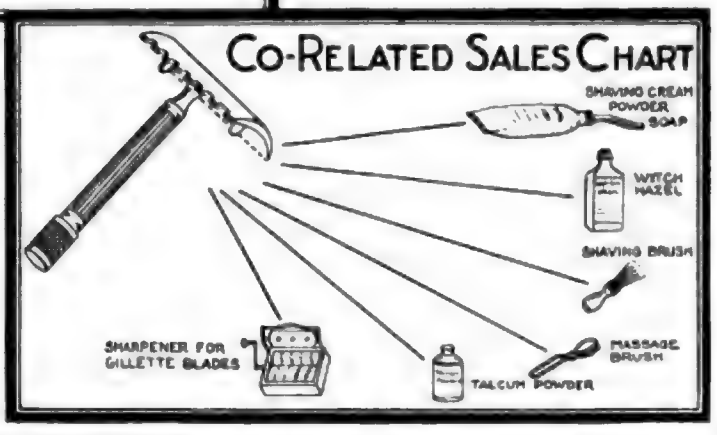
It sometimes happens that some unit in this organization falls below the normal percentage of additional item checks. If this unhealthy condition persists, the sales department develops some plan to re-establish the normal condition. The store manager may divide the sales force into two teams which compete for a prize to be awarded at the end of a contest covering a week or ten days.

He may inaugurate an individual contest covering a longer period and pay a series of cash prizes, the smallest of which would be a welcome addition to any salesperson's pay check. Whatever the effort, the store manager acts as referee to see that the rule against overinsistence is not overlooked in the desire to win a prize. It is obvious that if overzealous salespeople should offend ever so few customers the contest would do more harm than good.

I think we can agree that the "plus" plan should be a part of every effort to hold down the cost of selling merchandise and increasing volume in retail stores—particularly those stores that are not too closely departmentized.







Charts like these visualize the "plus" idea and show the salesman what articles he may suggest with the greatest propriety

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The "Movie" in Business

By J. K. NOVINS

THE DEALERS of a certain eastern city recently decided to hold a special Silk Week Sale. The event was formally announced in the news and advertising columns of the local newspapers, and was given wide publicity through other mediums. The storekeepers replenished their stocks and prepared elaborate window trims. They decided, however, to make use of the motion-picture screen as a means of arousing greater interest among shoppers and creating bigger sales. It was the first time the merchants had adopted this form of publicity and naturally enough the results were awaited with keen anxiety.

An assortment of motion-picture films were brought to the city by a representative of Belding Bros. & Co., silk manufacturers, of Belding, Mich. Ever since that concern had begun the use of the motion picture to advertise its product, and it is regarded as the pioneer in this movement, it had been particularly successful in aiding local dealers increase their sales possibilities.

A number of the films, each showing in varied and interesting detail the various stages entering into the manufacture of silk, were exhibited in the local theatres, in some of the department store auditoriums, in churches, in private halls, and even in school auditoriums before enthusiastic audiences of school children. The films were educational in every respect. No effort was made to boost the product of the Belding company, or any other brand of silk.

The merchants hired the largest hall in the city, and sent out invitations to a select number of citizens. Most of the invitations were accepted, and many came in their motor cars to view the exhibition of the motion-picture films. A special lecturer, no other than a special representative of the Belding concern, was on hand with a very illuminating lecture on the silk industry, to explain some of the features shown on the screen, and to answer any questions. No attempt was made to mention the name of the firm responsible for the picture, nor did the lecturer announce himself as a representative of the silk house.

The results? When the Silk Week was over and the dealers began checking up tangible results they all agreed that the celluloid pictures of silk progress had accomplished a new feat in retailing. Many who believed that the motion picture was merely a slow process of building up future prestige for a product soon realized that the new medium also produced immediate sales.

The Belding representative, upon returning to his home office, visited the company auditor to check up the results. The auditor prepared some interesting figures.

"Ever since we began using the motion picture to advertise our product we have been keeping carefully prepared statistics showing the immediate and tangible results accomplished by them on every occasion," the Belding representative said. "The figures prepared by our auditor showed in a very concrete way just how the motion pictures increased sales during the Silk Week.

"Ordinarily, when dealers get together for a special week, the results are about like this: The first day is the biggest in the point of consumer interest and sales. During the second and third days there is a noticeable slackening in both interest and sales. From then on interest begins to decline even further. The sales show a decided downward trend. The sales during these two days about equal the sales of the first day of the week. Interest and buying wane and toward the end of the week sales are very slim.

"But where motion pictures of an educational nature figure, as in the case of the Silk Week, the results are entirely different. In this particular instance the sales were above normal the first day of the week. The second day there was a substantial increase. The sales

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grew daily. They were the largest the fifth and last days of the week. From my experience, whenever the motion-picture screen is used, the results are about the same

"My office is in continuous receipt of numerous letters from retailers throughout the country telling of the good work done by our motion-picture films in creating bigger sales. It is our practice to send special lecturers to various cities, and to have them show pictures and to lecture on them in any available hall or public place. We then keep a check on the territory. We generally note corresponding increases in sales of silks. At times the retailers are actually oversold by the time our lecturer gets through with the territory.

"But it is not merely our purpose to create immediate sales. We have been using the motion picture chiefly as a means of establishing prestige for our product and building up future sales. For a number of years our films have been shown in many of the prominent theatres throughout the country.

"Some of the pictures, particularly 'A Silken Romance,' have been exhibited before bodies of business men and professional men. These are usually the result of special requests from organizations interested in certain phases of silk manufacture. 'A Silken Romance' has been shown before every historical society in New York state, and to the members of a scientific society chiefly interested in the scientific aspects of silk manufacture."

During a recent showing of "A Silken Romance" in the biggest hall in Philadelphia scores of people asked the Belding lecturer to tell them the name of his firm. The film was shown to a select audience, especially invited by the merchants of the city. Throughout the lecture the firm's name was not mentioned nor did it figure in any of the scenes except that showing the Belding plant.

An exhibition was given in the famous auditorium of Wanamaker's in New York several years ago. The special talk delivered by the Belding lecturer was issued subsequently in the form of an attractive booklet by the department store publicity department for distribution among the store's patrons.

"A Silken Romance" and other films issued by Belding Bros. & Co. have created tremendous prestige, not only for the silk house, but for the entire silk industry as well. H. R. Mallinson & Co., another well-known silk house, recently followed the example of the Belding concern and appropriated a considerable sum of money for this form of publicity. Several interesting films have already been prepared and are now being shown throughout the country. The firm is now encouraging extended showings in various towns and cities.

RECENTLY a week was devoted to special exhibitions of the Mallinson films in Springfield, Ill. The films were shown in several of the Springfield public schools. The dealers cooperated actively to make the event a success. A prominent dry-goods man arranged for exhibitions twice daily in his store in the course of the week and sent out special invitations to all of his patrons and others interested.

"A Silken Romance" serves as an excellent example of the newer tendencies in commercial picture productions. It is a decided departure from the old and now stereotyped film, produced solely as an advertisement for some concern and with no other evident purpose.

The film consists of a number of interesting scenes depicting the various stages in the growth of silk, from the etching of the moth to the last stage in the manufacturing process. The time for the picture to be shown is forty minutes. The execution of the film is very artistically done and the photography is the best.

The first scene shows the selection of the cocoon for breeding purposes. Two pretty Japanese girls are shown at this task. It was necessary for the motion-picture director and his staff to travel 12,000 miles to Japan to obtain the setting for the various scenes.

Another scene shows the ashy-white moth leaving the silken cell, and another interesting scene shows the mating process. Then comes a microscopic examination of diseased moths. Other scenes show the hatching of the egg, the spreading of the fertilizer in the egg, the picking of the mulberry leaves and the cutting of leaves for distribution.

Part two of the film begins with another interesting scene showing the feeding of the worm. At a later stage in the process the silk worm emerges. The spinning of the cocoon is then presented to the audience, with a close-up of men with push-carts laden with cocoons leaving for the market. Several other scenes show raw silk wound into skeins, the classifying of the skeins, and other operations necessary to make them ready for shipment. Then, after a journey of 12,000 miles, the raw silk



Above, filming "The Heritage of Eve," an educational picture produced by the BlueBird Appliance Company. Left, scene from "The Heritage of Eve"

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arrives at the largest silk mill in the world, the Belding plant in Belding, Michigan.

Here the material goes through the various processes of weighing, combing, winding, doubling and spinning. The audience is shown the cleansing and spooling of the thread, with a close-up of the warping room. The second part ends with a close-up of the well-known "movie" trick-basket set on a table. As the lid of the basket opens an assortment of cotton fabrics is revealed. As the lid closes the cotton disappears into the basket. After a brief interval the lid opens again, this time displaying a gorgeous collection of silks.

RECENT commercial films, particularly those designed for exhibition to consumers, vie with "A Silken Romance" in excellence and originality, and the most noted instance of this is the recent release, "The Heritage of Eve," a two-reel educational film, produced for the BlueBird Appliance Company of St. Louis, manufacturers of washing machines. This picture is considered by many motion-picture experts as the greatest of industrial films yet produced, and as equal to many of the elaborate photoplays produced by the regular motion-picture producing companies. It contains no mention of the BlueBird Appliance Company; its only function is to educate the housewife in the use of modern household appliances.

The company recently sent the film around the country for exhibition in various theatres. The camera man was accompanied by a number of musicians, a lecturer and even a prima donna.

The only tie-up with the BlueBird Appliance Company is obtained through the advertisements and announcements and through lobby displays and advertising pieces given out at the theatres at the time the film is shown.

Another notable feature about "The Heritage of Eve" is that not once is any washing machine referred to. It is simply a story of woman's slavery from the beginning of time down through the ages until Yankee inventive genius freed her from drudgery. The film opens with an impressive scene showing Adam and Eve living in primitive state soon after they were expelled from the Garden of Eden.

Eve is next reincarnated in the Grecian period. In this period the lot of women was indeed a hard one, save for the noblemen's wives, whose existence was made easy by slaves. In this period Eve is sold in the slave market and is detailed to the task of feeding wood to the crude furnace which heated the nobleman's house. Eve then appears as Priscilla, spinning the flax and performing other tasks that fell to the lot of the woman who helped to settle America. Then we see Eve living in the days of the "forty-niners." She travels across the plains and does a man's work in the way of fighting Indians and panning dirt for gold.



Left, section of film from a picture produced by the Brunswick-Balke-Collender Company; right, section of film from picture produced by Hart Schaffner & Marx

In the year 1920 we find Eve in an average American living room. She is by no means a wealthy woman, but modern appliances have given her a leisure that in previous ages no woman enjoyed, unless she was of the upper strata of life. Woman at last is free. Thus ends the story.

A very good illustration of how retailers make use of such films is shown by the film made for the Hoover Suction Sweeper Company, which is loaned to dealers for exhibition in local theatres, and whenever possible, in stores.

The film opens with a scene showing a woman registering chagrin because she can't attend a club meeting; lunch hour finds her in the midst of a household job half finished. All this is due to the fact that she has had to clean the carpets with that ancient weapon, the broom.

On leaving his office down town her husband notices the janitor come in with a vacuum cleaner. The business man is inclined to "kid" the janitor on his efficient cleansing methods. He hesitates, for he beholds his own modern office equipment, such as the dictaphone, the adding machine, the dictating machine and other appliances employed to reduce the drudgery of office work. He observes that the janitor is just as far advanced in efficient methods as he is.

AT HOME the business man finds a worn-out wife. He volunteers to help finish with the carpets. He tries the broom and gets all mixed up with the dust that issues from the carpet. He drags the rug out to the clothes-line and hires a boy to finish the job. The boy goes through the "beating" process, succeeds in drawing out considerable dirt, but tears the rug in the act. After considerable effort the husband sits down for some relaxation.

He dreams of the janitor. He remembers the janitor's vacuum cleaner and determines on the spot that his wife shall enjoy the advantages of such a burden-lessening device. The following morning husband and wife come down town to see several sweepers demonstrated. Of course they buy a Hoover.

The Detroit Stove Works is using a film in much the same way. A dealer can have his name and address put on the end of each film for two or three dollars.

Another illuminating instance of the effectiveness of motion pictures in speeding up sales is contained in the following brief account in a recent issue of "Dresses," the official organ of the Associated Dress Industries of America:

"The recent use of the moving picture to advertise a gigantic sale by Irwin's store in Cincinnati, when 1,492 dresses were put on sale at $18, has furnished an interesting chapter in retailing, and in all probability will register a new method for large retail stores in various sections of the country to attract the consumer's attention to events of more than ordinary importance.

"In fact, quite a few stores in Cincinnati are reported to be using the moving picture for advertising purposes, and one of the representatives of a large retail institution is said to have attributed the success of the recent event to the use of this kind of publicity."

Swift and Company is only one of

the big packers who use motion pictures consistently. Last Easter the company got out a short film to loan to dealers. The film included a pretty rabbit and Easter egg scene which served the purpose of driving home the suggestion that Swift's ham be made part of the Easter morning breakfast.

The Curlee Clothing Company is another concern that is using a novel dealer film. In this picture a mysterious man is shown going about town "holding up" well-dressed men. He stops each one that comes his way, and searches the inside pockets of their coats. The action is not explained and the spectators wonder what in the world the "mysterious man" is up to.

In another scene—a regular thriller—the "mysterious man" jumps down a viaduct onto a path in the park, in order to catch up with two well-dressed men whom he intends to hold up. He succeeds. As he runs away from each man he jots down something on a piece of paper. By this time the audience is all agog. But it is soon informed, for another scene shows the "mysterious man" entering a telegraph office, and on the screen then appears the following telegram which he had wired to a friend in New York: "You win. The best-dressed men wear Curlee Clothing."

Give Your Circular Letter a Chance

By JACK W. SPEARE

SOMETIMES I wish folks wouldn't feel under obligation to "fill in" my name on their circular letters intended to separate me from my more or less lucrative income.

Or, if they simply must spend anywhere from $4 to $9 a thousand names for this fill-in operation—performed with typewriter ribbons which are supposed to match the body of the letter, but usually don't—I wish that they would spend just a few more cents and make it count for something. Let 'em have inspectors, you know, like a factory, with tolerance gauges and things to detect variations, and thus prevent sloppy workmanship.

Perhaps I am too sensitive, but years of experience have failed to inure me to the receipt of such an abomination as was sent to me recently by a new corporation that wanted to make me rich. Many letters in the name and address were omitted and the remaining ones were piled on top of one another, capitals were out of alignment and the punctuation was a hodgepodge of errors. Not even Edgar Allen Poe or Sherlock Holmes could have translated the cryptogram. Nor was the offense made less conspicuous by the fact that this jumble was typed in purple ink while the body of the letter was in black.

THERE is something about a letter that starts in with my name and address all mussed up and perverted into "Mr. Smear," or "Mr. Squear," or "Mr. Squeal," or a "pi" of that sort—something that reacts violently on the acid in my disposition and makes it difficult to concentrate the way I should like on the writer's Blue-Sky-Going-Upsky Gold Mine, or whatever it is, lauded in the faultless process work of the rest of the letter. By some perverse fate, it usually seems to follow that the worse the jumbling of the fill-in, the more deadly perfect the body.

The letter which might have made me rich was from a rubber concern in a neighboring city, offering me the one best bet of a lifetime in the form of some of its preferred stock. Down in the middle of the letter the writer assured me in chaste pica Remington that "I am absolutely confident . . . can duplicate the wonderful successes which . . . Rubber Industry the third largest in the United States . . . fabulous fortunes for their investors," etc., etc., etc.

And a gummed paster printed in brilliant red, stuck to the bottom of the sheet, informs me as an afterthought that the enclosed postal card will secure for me a liberal bonus of common. Now that sounds like business. I have always wanted to start a collection of nicely engraved certificates, especially the preferred kind—it sounds so substantial. And when you get both kinds, preferred and common, all for the price of one admission—why, it seems too good to miss.

Seriously, though, the jumble in the heading of the letter caused me to throw the whole business into the waste basket, convinced that it was without merit. Only upon fishing it out to serve as an object lesson for this little philippic did I learn what an opportunity I had almost tossed aside.

Another specimen of the same kind was a letter addressed to our general manager, W. L. Todd, by a cigar man in Tampa, thanking him for his kind remittance and soliciting an order for some more of those Fumadore perfectos. In this instance the matching was much better than the average; but in spite of the fact that they must have had Mr. Todd's check and letter in front of them, with his name all spelled out in plain print, the fill-in lady managed to jiggle her "o" key once too often, with the result that the name in the salutation was made to read, "Mr. W. L. Tood."

Only a week or so ago, W. L. T. wrathfully showed me one in which the lady-fingers had rapped the "a" key a gentle rap in passing—resulting in his receipt of an offer to send some wonderful books on ten days' approval to "Mr. W. L. Toad."

And our treasurer carefully treasures one classic, received a while back, in which the committee soliciting funds for a certain religious movement was made to salute him devoutly as "Mr. T. W. Godd!"

HERE are a few of the ideas I should consider carefully if seized with the irresistible impulse to send out some circular letters:

1. Print the entire letter either on a duplicating machine or ordinary printing press, and spend the cost of the fill-in for just a little better paper, better printing, better illustrations, and perhaps a touch of color. This appeals particularly to me just at the present time on account of the difficulty of obtaining competent typists.

2. Increase the rate to the fill-in people and employ a lynx-eyed inspector to compare each heading with the original list, and impose a stiff penalty for errors.

3. Refuse to consider any lists of names written in longhand. Even common family names in the most perfect Spencerian are liable to the most comic interpretation when copied by a girl just out of business college. V. G. Bing becomes "U. B. Punk," and a perfectly safe and sane name like, say, W. R. Wratten, is just as likely as not to greet the startled addressee as "Mr. U. R. Rotten."

The possibilities for unpleasantness are endless, as I can testify from my own efforts in circular-writing—for, alas, I speak from personal experience.

Setting the Stage for Orders

An Omaha Company Builds a Cottage, Rents an Apartment and Furnishes Both to Serve as Models for Its Patrons

By CHARLES E. DUFFIE

HELLO, Mrs. Haskins? Orchard & Wilhelm Company speaking. We have a customer who desires to install a model kitchen in her new home. We know of no other model kitchen quite so much in keeping with her ideas as your own. Would you mind if we brought her out to see it? Thank you very much, Mrs. Haskins—we will be out tomorrow morning about 10:30, and I certainly appreciate very much your courtesy in extending us this favor."

The salesman in Omaha's largest and most popular furniture store hung up the receiver of the telephone, and turned to the little woman who was an interested listener to this one-sided conversation.

"I would like to go out this morning," she said. "But I suppose that Mrs. Haskins has reasons of her own for asking that we wait until tomorrow. It's nice of her to let me come at all—and it certainly is very fine of you to help me obtain this opportunity to see her kitchen. I appreciate it very much, and will be ready to go with you in the morning."

This little incident illustrates the extremes to which the Orchard & Wilhelm Company goes to render a service to customers—a service which doubtless is unique, even in the proper sense of the term. There is practically no limit to the special service offered, especially in the decorating and home furnishing department. Nothing is too much trouble—and if the customer finds, after completing her investigation and obtaining a complete scheme of decoration, that the price is higher than she thinks she can afford to pay, what then?

In that case she is presented with all the information which has been compiled for her by the company's experts, including even special sketches of her windows and rooms, and is pleasantly told that perhaps, with the assistance of these ideas, she will be able to find something elsewhere which will meet her requirements, in price as well as in general effect of treatment.

"We find that it pays big dividends to be of real service," said E. Lewis Holland, advertising manager of the company. "For instance, our little house organ, *Little Talks on Furniture and Furnishings*, includes in each number articles written by experts in decorating. We have also compiled and published a little folder which we call *Suggestions for Better Drapery Treatments*, and which contains twenty-five ideas, with original illustrations and explanatory text explaining how to achieve the proper effects in different rooms.

"This publication is sent free of charge to all inquirers, and it has proved so popular that we are now preparing other designs and the new edition will contain one hundred ideas of this kind.

"If a customer finds nothing in this folder which seems to meet her particular case, we gladly send an expert to study her home and draw special designs for her. If, when we have completed our suggestions, she finds that the cost is more than she cares to pay, we turn over the sketches and suggestions without charge and frequently suggest another store where she may, perhaps, find materials that will enable her to carry out the decorative scheme at a price lower than we can quote.

"Does it pay? I should say it does! Come with me to the special drapery manufacturing department and I will show you how well it pays."

In this particular department about thirty girls were busy working up draperies into special designs. Some orders called for the expenditure of only a few dollars; others required the outlay of perhaps $1,000 or more. And on the order file were orders in large number which had not yet been touched!

"Here is the visible evidence of how it pays to be of real service and to be broad-minded," said Mr. Holland, as he ran over the orders. "These orders came not only from residents of that city, but from all over the surrounding territory. This department has grown amazingly in the last few years, and our principal worry is not how to get business, but how to take care of that which is coming in."

EACH issue of the house organ referred to includes a color plate, showing a complete decorative scheme for some one room. One of the recent numbers shows a green, yellow and grey scheme for the breakfast room, or the small dining room. In original colors are shown: 1, plain ribbed green silk, suitable for casement curtains; 2, yellow silk for the lamp shade, of a tone to harmonize with the green curtains; 3, Japanese floral design wall paper in neutral gray, with green, yellow and pink flowers harmonizing with the other decorations, and 4, a plain, deep-toned green linen rug. On the opposite side of the color plate the complete decorative scheme is outlined as follows:

If a special breakfast room has been built into the house, so much the better; if not, a sun porch may be readily converted into one. As for the decorative scheme, the colors should be as gay and varied as those of an old-fashioned flower garden. Whatever colors may be chosen, the general effect should be light and cheery, for freshness, sunshine and color are essential to the successful breakfast room. The green, yellow and gray scheme illustrated on the other side of this sheet will produce the desired effect.

The most desirable floor is of square gray tiles, with a border of soft green tiles; a pleasing result may be gained by the alternate placing of the green and gray. A good grade of linoleum in tile pattern will produce an equally pleasing and colorful floor at smaller cost. If tiles are used in the fireplace, these should be green. The best kind of overfloor covering for the breakfast room is linen or Scotch wool rug of plain green, rather dark in tone. A charmingly informal wall



Section of main floor, Orchard & Wilhelm Company

paper shows a Japanese floral design on a background of exquisite gray. With this a plain gray ceiling paper should be used. To give unity to the room, some color in the paper should be accentuated, as in this case, green, with a note of yellow. The woodwork should be painted a little darker gray than the background of the wall paper.

The casement curtains may be of white scrim or voile with plain hems, and should hang about two inches below the sill. Over these should hang draperies of soft sage-green poplin or casement silk, edged with a simple finishing braid of the same color. Between the side curtains should be a valance, 10 to 12 inches deep. This arrangement of the window hangings requires fixtures for double rods.

Lightly constructed though rigid furniture of informal character is suited to this setting. It would be difficult to decide which would be the more delightful, dull green lacquer with Japanese floral decorations or gray enamel with bands of sage green. The set should include a cupboard for the special breakfast china, which being in itself decorative should be frankly displayed. A set of Seidji, that Japanese ware of soft green, would be most appropriate.

Effective lighting fixtures are found in dull green finish (verde antique). For the latter, use shades of yellow silk. Fern boxes and a gay Japanese birdcage would give a final touch.

It should be remembered that this or any other pleasing color scheme does not demand expensive materials to carry it out successfully. Equally pleasing if not sumptuous effects may be had by using more modest materials, provided the color harmonies here suggested be faithfully adhered to. Tastefully furnished rooms may be contrived by anyone who will take the trouble to select furniture, rugs and draperies in agreeable color combinations and of well-tried patterns.



A corner of the drapery workshop, Orchard & Wilhelm Company

The company believes in visualizing the effect of proper furnishings and hangings, and embodies this belief in an unusual and effective way.

Some three or four years ago a new addition to the city of Omaha was platted. Almost the first lot sold was bought by the Orchard & Wilhelm Company. A day or two later a large sign appeared on the lot, announcing that a model five-room cottage would be erected there by the company. The cottage would be furnished completely, showing what could be accomplished with a moderate outlay of money in beautifying a small cottage home.

As soon as the building was completed, the most expert of the company's decorators began the work of beautifying the little home. Even the floor of the cemented basement was painted, so complete was the scheme.

When finished, the little home was thrown open to the public. Visitors were invited to come in and inspect it. Invitations were extended not only through display advertisements in the daily papers, but also by means of a large sign near the house. As the lot faced one of the principal thoroughfares of the city, leading to the new addition, hundreds of automobiles passed the place daily; and at the end of a few months, when the place was finally sold complete to an insistent visitor, the register of those who had inspected the house contained more than 6,000 names. These names provided an excellent mailing list.

Later the company rented an apartment in one of the popular apartment houses, and furnished and decorated it to show what could be accomplished with a modest expenditure in apartment furnishing schemes. This was not thrown open generally to the public, but interested customers were taken there and shown just how attractive a small apartment could be made at a little cost.

This plan proved so popular that the company then leased a pretentious apartment in one of the most exclusive apartment houses of the city, and spent considerable money in decorating it in a style which people of ample means would appreciate.

AS THE housing problem in Omaha was then acute, and even now is little less acute, the two displays have resulted in many sales to people who have been obliged to move into apartments because of their inability to rent or buy cottages or larger houses for homes.

Late in April the company inaugurated another new idea in advertising. This took the shape of a "furniture exposition" which was held each evening for one week, from 7:15 until 10 o'clock.

About fifty "settings" were arranged—some showing "period" furniture, others model kitchens, breakfast rooms and drawing rooms. Living models were employed in large numbers, appropriately costumed in the "period" settings, to correspond with the fashions of the days when each particular type of furniture was in vogue.

Costumes were furnished by a theatrical costumer for the models of olden days, while those for present-day styles were supplied by Thompson, Belden & Company, one of Omaha's oldest dry-goods and ready-to-wear stores.

This event attracted much attention, and the entire store was thronged each evening with crowds of visitors in such numbers that it was necessary to employ special ushers who requested the guests to "please do not linger longer than absolutely necessary at any one exhibit, as it is necessary for everyone to keep moving in order to accommodate all who wish to inspect the exposition."

Invitations to attend the affair were not limited to Omaha people; the company advertised the event extensively, and particularly invited merchants from other cities to be present and gain such information and new ideas as might be possible from an inspection of the exhibits.

It is quite safe to say that the thousands of people who visited the exposition left with a much more clear idea of what effects could be obtained in their own homes, by the purchase and arrangement of furniture particularly suited to certain types of rooms or even dwelling houses, than they had ever held before.

"The cost was surprisingly small," said Mr. Holland, who originated the idea. "Neither was there a great deal of labor or trouble involved. Three men handled and directed the entire affair, which we think was one of the most successful undertakings we ever attempted.

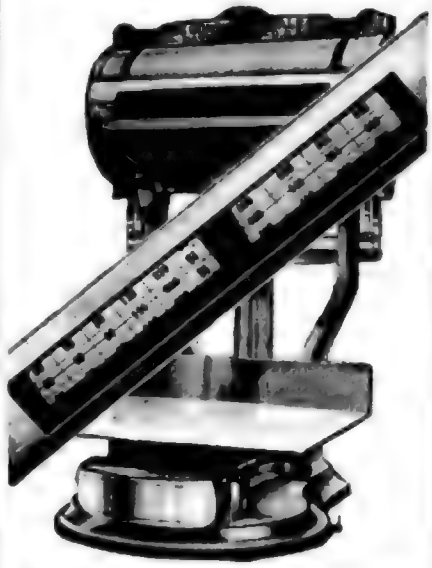
"We hope this exposition will cause all the other furniture dealers in the city to co-operate in staging a comprehensive 'home furnishing show' in the municipal auditorium, a little later. If this can be done, we shall have one of the most unusual and interesting expositions ever attempted in Omaha."

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DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

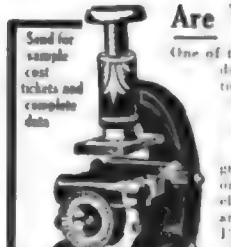
Moneyweight Scale Co.

326 WEST MADISON ST., CHICAGO

Sales Distribution

Are You an Employer?

Send for sample cost tickets and complete data



One of the best ways to increase production is to have working time fully utilized.

The Automatic TIME STAMP

gives an absolutely correct check on every job from start to finish eliminates idling and slowness and shows up inefficient workers. Invaluable for timing orders, letters, shipments, etc.

Handsome, absolutely accurate, dustproof. A real durable asset in a business office.

IN USE MANY YEARS

The Automatic Time Stamp Co.

161 Congress St., Boston, Mass.

"Originators of the art of printing time automatically."

The MAILBAG

A Journal of Direct-Mail Advertising



The DIRECT-MAIL "HOW"

is answered in this monthly journal of direct-mail advertising. Articles from those who have had practical experience with letters, booklets, circulars, enclosures, house organs, etc. How to Write Letters that Win. How to Collect Money by Mail; How to Conduct a Real Follow-Up; How to Use Mail Salesmen - these and similar subjects covered. If you want to keep abreast of the latest in direct mail work - if you want the biggest dollar's worth you ever bought, send your subscription NOW.

$1.00 a year

MAILBAG PUBLISHING CO.

1807 E. 40th St. Cleveland, Ohio

More Than 125,000 Business Executives

BUSINESS represents the very richest cross-section of the entire commercial market—a hand-picked circulation of successful business executives throughout the United States and Canada.

BUSINESS is serving a very definite mission for those advertisers having a market that coincides with the field delivered by the magazine.

Have you considered BUSINESS as a medium for your selling message? We will be glad to make a definite proposal upon request.

The Store Puts On a Party

(Continued from page 9)

known as the Jubilee Babies in a reunion held for them every year, and at the Diamond Jubilee they are to be the guests of honor."

So much for the part that the public saw. Now for what the guests did not see.

In advance of the jubilee it had been anticipated that additional sales help would be needed. The Taylor space in the newspapers, a few days before the opening, carried a boxed announcement that 300 salespeople were to be employed for the jubilee. About 200 were engaged, raising the total to 1,700.

To the end that these 1,700 men and women might be made to realize that they really were to be the hosts and hostesses at a party and not merely clerks at a "sale," certain things were done. For one thing, there were personal talks with them by department and division heads, and the conception of the thing, the idea back of the general plan, was explained to them, and the jubilee itself began not with the public but with the 1,700.

THE first event on the jubilee program was not the opening of the store to a waiting crowd, but a "Taylorite Golden Jubilee Party" that was held in the biggest and finest auditorium building in Cleveland, on the night before the doors were opened. From this the public was rigidly excluded. It was a Taylor family party and care was taken that every Taylorite was present. Even the night watchman was there. His place at the store that night was filled by a substitute. There was a banquet first and then a vaudeville show, lifted bodily and entire out of the "big time" Cleveland Hippodrome. Then followed an "afterglow" in which gifted Taylorites themselves put on their own acts—and some of these acts, so I was confidentially told by a girl at the ribbon counter, surpassed the efforts of the professionals.

Officially the jubilee opened the next morning—but still with the public not present. At one end of the main floor, facing down the vista of the silk-and-golden main aisle, a dais had been erected. Upon this, banked in flowers, was the Jubilee Chest, a carved and gilded thing that Taylorites regarded with little less than awe. The program was that the Chest should be unlocked by Mrs. J. Livingstone Taylor, president of the concern. This was to symbolize the opening of the jubilee, and two costumed heralds were to blow their trumpets. Then there were to be addresses by the store executives, some songs specially written by Taylorites for the occasion, and other music. Mrs. Taylor was next to make the first purchase of the jubilee and the sales slip of the transaction was to be placed in the Chest. With the slip were to be placed a print of the Jubilee movie, "Fifty Golden Years", a copy of the historical souvenir booklet, copies of the jubilee newspaper advertising, photographs of the store interiors, a typewritten record of the event, and other souvenirs and data; then the Chest was to be locked and put away and not to be touched again until the Diamond Jubilee, twenty-five years hence. Once more the heralds were to sound their trumpets and the doors would open to the public.

Except for one detail, the program went forward as planned. In the midst of an address by the general manager, Charles H. Strong, there was an interruption. E. A. Dowd, Taylorite and president of the Taylor Mutual Benefit Association, stood up and let it be known that he had a speech to make and that he proposed to make it then and there. The general manager, amazed, sat down among his equally-amazed fellow executives. Mr. Dowd took the platform and presented to Mrs. Taylor a bouquet of roses. It was a considerable bouquet, for it consisted of 1,700 blossoms—one for each of the Taylorites. They had originated the plot, contributed one and all to the purchase—and kept the whole thing secret. As the matter was described to me the presentation of that bouquet "nearly broke up the party."

After a bit, when the cheering and the downright whooping had subsided and some entirely uncommercial tears had been wiped away, the program went on to its completion and the heralds blew their horns and Cleveland—or a considerable part of it—came in through the front doors.

Cleveland came in through those doors voluminously during the ensuing ten days. On only one occasion during the jubilee was any attempt made to count the visitors. This was on an evening when the store was thrown open for those that couldn't come during the day. A symphony orchestra of fifty pieces played for them. They came to look, for although the 1,700 Taylorites were at their posts no merchandise was sold. More than 10,000 persons attended. During the days of the jubilee they came to buy, did the Clevelanders. And they bought merchandise to such an extent that the total volume of their purchases was exactly four times the gross sales of the forty-ninth anniversary of a year ago—and that had been considered "some sale."

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Ad Man Parrish stood with me, looking down from the mezzanine upon the main floor on the last day of the jubilee. We were just over the glove counter—and it looked like Woolworth's on a Saturday afternoon. Parrish sighed, with relief, it seemed. There had been difficulties. For instance, disaster had threatened no longer than a week before the jubilee opened. A yardmen's strike had tied up railroad traffic, just at the time when the store decorations were to have been shipped from Chicago. Four motor trucks had been taken out of the city delivery fleet and sent on a flying trip, by road, to Chicago and back—in time. The same railroad strike had crippled the newspapers, and in the midst of the jubilee, just when he needed double-page spreads, the papers had had to limit the space Parrish could use. And he, with his crew—he used to be a city editor and several of his subordinates are ex-reporters—had written and issued a newspaper of their own.

On that last day Parrish sighed—with relief, it seemed.

"I guess," he mused, "I guess we've put it over. It's been some party. And those folks down there behind the counters did it. It was their party, and it seems that all we had to do was to make 'em realize it."

A Correction

An article entitled "Trolley Rides at Cost Plus," in the May number of BUSINESS, stated that the Cleveland Railway Company, by lowering its fare from eleven tickets for half a dollar to six tickets for a quarter, "made available to its patrons a saving of more than $10,000 a day."

Justice to the Cleveland Railway Company demands acknowledgment of the fact that the figures should have been $4,000, not $40,000. Even this reckoning ignores the law of averages and assumes the utmost in mathematical possibility: the possibility that every one of Cleveland's more than a million car riders a day should take advantage of the six-for-a-quarter tickets.

It Paid to Advertise

A timely suggestion taken from the photoplay, "It Pays to Advertise," enabled Mills Brothers, Sarnia, Canada, to sell 5,000 cakes of toilet and hard soap.

When the local theater started to advertise the show, a story of soap and advertising, Mills Brothers opened an extensive newspaper campaign for a three-day whirlwind soap sale which, aided by freak advertising and newspaper publicity, broke all records on soap sales.



Autocall Saves Time for the Multigraph

Like all going concerns, The American Multigraph Co., Cleveland, grew rapidly. One cause of trouble, as office and factory expanded, was difficulty experienced in locating officials away from their offices.

F. J. Lyke, general superintendent, tried a push-button system; then messengers were employed. Neither system was a success.

Then Mr. Lyke decided that Autocall was the best system Multigraph could use and it was installed.

Now when an official is wanted the telephone operator merely inserts a plug under his number on the Autocall and from every signal station in the plant his call is sounded. A step to the nearest phone and he is in touch with the person wanting him.

And Multigraph is only one of hundreds of concerns using the Autocall.

THE AUTOCALL COMPANY, 210 Tucker Avenue, SHELBY, OHIO.

"THE MECHANICAL FINDER OF MEN"

Conserves Time for Executives

Autocall

Improves Telephone Service

1141

And now—

here is a BLANK BOOK *that is more efficient!*



YOU can keep your mind right on your work—all the time—when you use a Mann Blank Book with the famous Manco Guards. The book never bends or rolls up. The pages never "flop" over. They lie perfectly flat—smooth—with every inch of surface available all the time.

Manco Guard BLANK BOOKS

are the result of over 70 years of experience in Blank Book manufacture. They represent the utmost in quality and workmanship that can be put into a blank book. And this supreme quality typifies every Mann product:

Blank Books—Lithographing—Printing—Engraving
Office Stationery and Appliances

Information and literature on these or other products supplied on request.

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway

PHOTOGRAPH used to illustrate above shows Mann Blank Book used in the Tradesmens National Bank, Philadelphia, Pa., in which Mann Blank Books, Loose Leaf Ledgers and other products have been in use for over twenty-five years.

This



PRINT it on the

THE MULTIGRAPH SENIOR This is a complete, compact equipment that turns out high quality printing and form typewriting at very low cost—saving a saving of from 25% to 75%. It is simple and easy to operate; rapid and convenient. Electrically driven, with printing ink attachment, automatic point to point signature device, automatic platen release and wide printing surface. Easy payments if desired.

THE MULTIGRAPH JUNIOR This is a wonderfully efficient equipment for concerns which have a limited amount of work. It does both form typewriting and other printing and produces the same high quality of work as the Senior Equipment, but it is hand-operated only and cannot be equipped with electric power, automatic feed and signature device attachment as can the Senior. Easy payments if desired.

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Way Out!

Prices jump! Deliveries slump! Grouch grows bigger every day! But *every* row you make, *every* step you take simply *sinks you deeper* in the slough of printing hopes, in that bog of *costs outrageous* and *delays* that eat up kale.

You may storm and you may threaten, *you may even plead and grovel,* but the printer man is helpless to relieve your woes one jot. "Have to wait two weeks or longer". "No, too small for me to bother". "No, can't shave that price a single cent!"

Meanwhile your small stocks dwindle, spite of all your make-shift schemes—office forms and factory tickets, special price lists, letterheads, peppy folders, snappy booklets—all too soon your stock is *dead.*

All that fuming, all those losses of *both profits and delay,* you could easily have side-stepped had you *followed your own nose.* For you've had right here before you every while, year in, year out, the Multigraphic story plainly showing THIS WAY OUT!

Print it on the Multigraph!

Not typewriting but printing, with real printers' ink, and type, with illustrations if desired—and yet done by a small power-driven machine that takes up little room, and does not turn your office into a printing plant.

Office forms	Cards
Office stationery	Notices
Factory forms	Imprinting
Tags	Typewritten form letters
Labels	Printed form letters
Wrappers	Illustrated form letters
Stickers	Restaurant menus
Sales bulletins	Theatre programs
House organs	Bank checks
Booklets	Deposit slips
Pamphlets	Order blanks
Circulars	Subscription blanks
Folders	Price lists
Dodgers	Statements
Blotters	Memorandum pads
Small posters	Post cards, etc., etc., etc.

You Can't Buy a Multigraph Unless You Need It

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio
Offices in Principal Cities

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THE INTERNATIONAL MULTIGRAPH CO., *Paris,* 24 Boulevard des Capucines
THE MULTIGRAPH SALES CO., Ltd., 84-88 Day St., Toronto, Canada
Offices in Principal Canadian Cities

MULTIGRAPH

The Multigraph
1798 E. 40th St., Cleveland, Ohio

"This way out" may be my way out. Tell me more about the Multigraph and what it can do for me.

Firm _____ Our Line is _____

Name _____ Official Position _____

Street Address _____ Town _____ State _____ Box No. _____

ADVERTISING SECTION Google



Time Is Your Most Valuable Raw Material—Why Waste It?

When it is necessary to see the auditor, superintendent or shipping clerk, don't waste steps or time by walking. You can get into direct communication—*instantly*. Simply press one button once on the

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Write for our interesting Book "Why Walk." It tells how you can install our inter-communicating system at small cost. It shows the various types of our instruments and how you can get plans for installation.

Stromberg-Carlson Telephone Mfg. Co.
Rochester, N. Y.

Dealers and installers in principal cities

Stromberg-Carlson Tel. Mfg. Co. BMC 20
Rochester, N. Y.

Please send me your book "Why Walk" and further descriptive matter.

Name _____

Address _____

Steel Engraving

or lithography may be so exquisitely executed that your use of it reflects a similar excellence in your product or service; or it may be so indifferently done as to be a reflection upon your taste and business. May we quote you on the only kind we do—superfine?

The Edwards & Franklin Co.

Members Typothetae Since 1912. Two big plants:
CLEVELAND, OHIO: 1835 to 1845 East 23rd Street
YOUNGSTOWN, OHIO: 113 to 117 South Champion Street

AT LAST!
BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads
1000 Billheads and
1000 Statements
ONLY $12.85 for Lot

1000 Letterheads & 2000 Billheads $12.85
1000 Type & 2000 Letterheads $12.85
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Customers from Maine to California.
Lithographed on good Bond Paper. *Write for Samples.*
KAY-DEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

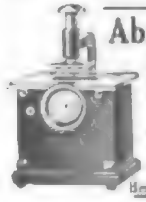
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Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Extra advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Send postpaid for $1.00.*

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565 W. Washington Street, CHICAGO, ILL.

POSTAGE
The 25c monthly magazine that tells how to transact business by mail—Advertising, Selling, Collecting, Catalogs, Booklets, Circulars, Letters, Office Systems, Money Saving Ideas. Since 1916 the official magazine of The Direct Mail Advertising Association. 6 months $1.00; 1 year $2.00.
POSTAGE · 18 East 18th St., New York City



Absolute Time Records

Henry Kastens, 422-424 W. 27th St., New York, N. Y.

Profit Tax and the H. C. of L.

(Continued from page 7)

cent and 50 per cent. An example of the amount of tax collected under this plan is shown in the following table:

SMITH & CO.		
Net income		$100,000
Cash dividend	$50,000	
Remaining undistributed 50% of net income	50,000	
		$100,000
Corporation pays 20% on amount undistributed not exceeding 20% of net income:		TAX
20% on $20,000		$ 4,000
30% on $10,000		3,000
40% on $10,000		4,000
50% on $10,000		5,000
Total tax paid by corporation		$ 16,000
Stockholders pay personal income tax on		$ 50,000

In advocating the exemption of corporations from all taxation save that on undistributed earnings, the committee denies intention of favoring big business, but takes the positon that, as stated by Secretary Houston, the present law "puts a penalty on brains, enterprise and initiative" and that anyhow:

1. A corporation is just a group of people, each of whom owns a part of the business; some parts are large and some are small; consequently some persons have large incomes and some small.

2. When a corporation is taxed it is in effect the people that own the business who are being taxed; these people do not all own the same share and so are not all entitled to the same amount of the profits; neither should all bear the same share of taxation as they do when a corporation is taxed a flat rate on all its earnings.

3. Each individual should help pay the expense of government in proportion to his total personal income, and the only way this result can be achieved is by personal income tax with the repeal of the excess profits tax and corporation tax laws, which tax individuals indirectly and unfairly.

Thus we find the objections to the excess profits tax law explained; the demand for its repeal with consequent beneficial effects upon the cost of living affirmed; and the substitution of an equable method of meeting government financial needs recommended.

But how is this drastic reform to be brought about?

Here is the program:

The special tax committee has already won over to its plan the officers of the National Association of Credit Men. By word of mouth and pen, by addresses before commercial

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organizations and articles in business publications, these officers plan to spread the doctrine.

Members of the committee themselves are going direct by written and oral appeal to the local credit men's organizations in 130 of the principal cities of the nation.

The 30,000 or more members so reached are in turn talking and writing their teachings to their business and personal acquaintances.

When autumn comes, the committee, its field cultivated meanwhile by this educational process, will appear before the proper committees of congress, where it is already known by reason of previous fruitful visits. Here it will plead its case. It will go before the nation's lawmakers with "clean hands" and without an "axe to grind," for unlike most organizations which descend upon congress it represents no "special interest," no particular kind or line of industry, but rather every phase of business—the commercial public as a whole. And this helps mightily.

On the effect of its efforts directly upon congress, backed by Secretary Houston and supported by an enlightened public opinion by that time developed among business men, three definite results are expected, which will mean relief from the present injustices of taxation, lowering of the high cost of living and placing of the government on a business-like financial basis.

These are:

1. The adoption of a budget system, bringing thrift instead of waste into government financing.

2. The abolition of the excess profits and corporation tax, bringing a reduction in the cost of living.

3. The substitution of an improved and enlarged income tax plan, bringing individual taxation in proportion to ability to pay, which is the only fair means of taxation.

Surely an effort worthy of ideals born of the great struggle for world democracy and one which, if crowned with success, means solving one great cause of industrial unrest and the coming of the day of higher principles in politics and business.

A Co-operative Mailing List

The Retail Merchants' Association of Salina, Kansas, is distributing a mailing list of customers in and near the city to members without charge. The mailing list is especially valuable in reaching farm trade. In most towns each merchant makes his own mailing list and has to keep it up to date. By this system of co-operation the same result is obtained at a small cost to each merchant.

Use Maps

You Can Wash

Just Like a Slate



The Multi-Unit Map System is the loose leaf system applied to maps. Convenient as a book. Puts all your maps within easy reach, ready when you need them, yet completely out of the way when not in use.



the special celluloid surface of National Maps makes it possible to erase, quickly and completely, any markings or notations made on the maps. Use either a sponge or a damp cloth. The surface is left perfectly smooth and clean and is not damaged in the least. The celluloid surface is an exclusive feature of National Maps.

On these washable National Maps you can mark with either pen, pencil, crayon or water-color paints. Outline your dealers, territories and salesmen's routes. Show sales quota, statistics, comparative standings, etc. Put down any and all information that will help you to consider your territory. When changes in this data are necessary, a swipe of a sponge or damp cloth gives you a perfectly clean map, as good as new, ready for fresh marking.

Write for further information about the Multi-Unit System and National Maps for your territory

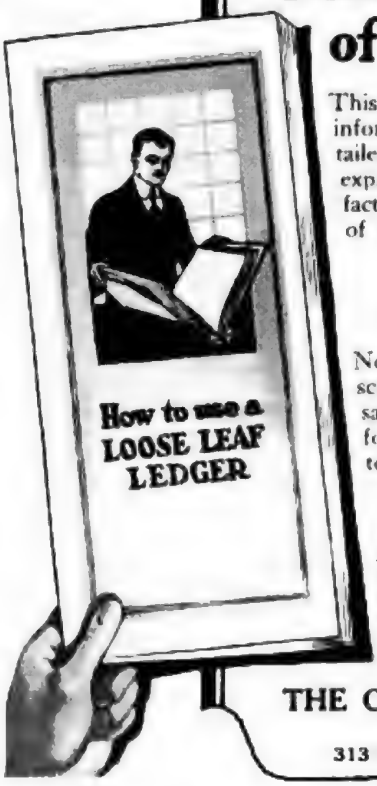
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"Map Makers for 35 Years"

INDIANAPOLIS NEW YORK CITY

Address Home Office 27 E. Georgia St. Indianapolis, Ind.

Send for this book of better bookkeeping



This new booklet just issued contains valuable information for manufacturer, wholesaler, retailer, jobber and every bookkeeper. In it are explained the simplest, easiest and most satisfactory Loose Leaf forms for keeping every sort of record.

Accounting Systems For Every Business Purpose

No matter what your business, this book describes a better, simpler, labor- and money-saving system that you can use. It shows forms and systems for every requirement tells how to use them.

Sent Free on Request

Although prepared at considerable expense, this book will gladly be sent on request. By studying it you can eliminate useless labor, prevent errors and increase the efficiency of every department of your office, factory or store. Send for your copy of "How to Use a Loose Leaf Ledger" *today*.

THE C. E. SHEPPARD COMPANY

LOOSE LEAF SYSTEMS

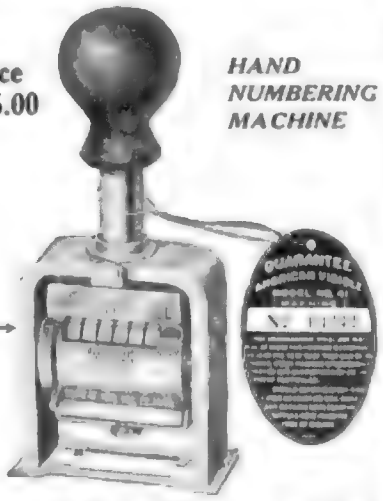
313 Hudson St. NEW YORK CITY

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Price $15.00

HAND NUMBERING MACHINE



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Impression of Figures

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Steel Throughout.

The Machine With the Guarantee.

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Betting On a Sure Thing

(Continued from page 15)

mentioned only to show one of the uses of the survey. For instance, the sales points mentioned were evolved from the investigation and incorporated in this booklet because it was found that the average contractor-dealer was rather weak as a salesman and somewhat timid about approaching the big executive of a factory—the man who, as the survey clearly indicates, is the right man to tackle. With this picture book, containing the proper sales points, the contractor-dealer regains confidence. The "before" and "after" pictures were included because it was found that many factory executives did not know the difference between good and bad illumination. This fact is not at all surprising, because in the past there have been no definite standards of factory illumination.

Hence, as the survey revealed, the factory manager might be "sold" on the advantages of good lighting, yet his plant might be wretchedly lighted because of his lack of knowledge of what constitutes good lighting. The "before" and "after" pictures were intended to help both the contractor-dealer and the factory manager over this difficulty.

A little booklet, 'How to Plan the Lighting Installation for a Factory," telling in the most simple ways the steps necessary to choose the proper sizes and styles of lamps and reflectors and showing how high and how far apart to place them for any particular factory operation, was given to the dealer because the survey clearly proved the need for such a manual.

Each dealer received further aid through a mail campaign calculated to interest industrial lighting prospects in his locality, and many other dealer helps were made available, all based on various conditions revealed by the investigation.

AS SOON as the survey was completed and its value recognized, the most salient new facts were given to the electrical trade, first by lantern-slide talks at various conventions and later in booklet form and in the editorial columns of the trade press. The Illuminating Engineering Society took great interest in the survey and placed the facts at the disposal of all members.

Several other electrical associations have also made the information available to members and a number of manufacturers of industrial lighting equipment, other than the National Lamp Works, have utilized the survey as the basis of sales and advertising with marked success.

The findings of the investigation were of such importance as to warrant calling in all of the National Lamp Works salesmen in order that they might have an immediate knowledge of these facts. Incidentally the cost of bringing in these salesmen amounted to somewhat more than twice the total cost of making the entire survey. This information in briefer form was published in the "Lamp Tip," a bi-monthly confidential periodical sent only to these direct salesmen. Other facts in regard to the survey were published in the "National Mazda Stimulator," a monthly publication which goes to all distributors of National Mazda lamps.

The value of the survey and of freely giving the facts which it brought out to the entire lighting industry has been felt all the way down the line. The information derived has been of incalculable value in the planning of sales promotion and advertising.

Largely because of the survey and the use which has been made of it the lighting equipment manufacturer's salesmen, the jobber's salesmen and the contractor-dealer are selling not merely lighting equipment, but better lighting, with the result that this broader policy has enormously increased equipment sales. This new attitude on the part of the selling forces coupled with effective advertising along similar lines, has done more to bring about a proper appreciation of good illumination in the minds of factory executives than was accomplished in the ten previous years. Sales resistance has thus been greatly reduced.

There can be no doubt that the market survey is the only logical course wherever there is the slightest doubt as to the proper selling policy. It doesn't pay to guess at basic facts.

Brown and the Brunswick

(Continued from page 18)

in Detroit. At present he is using the popular slogan, "Your next phonograph will be a Brunswick—Let Wallace Brown tell you why."

In displaying these advertisements Mr. Brown uses a large variety of sizes and designs. His larger advertisements will run from four to six columns in ten to eighteen inches. His smaller ones may be one inch. His designs run in series, each series changing. Mr. Brown explains this by the varied tastes of the readers.

"I like my roast beef rare, you like yours well done," Mr. Brown says. "If I always serve roast beef rare I miss your trade. If the ad I am using right now does not appeal to you, the next one probably will."

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As these advertisements began to bring people to the store Mr. Brown gradually abandoned the conventional method of calling at the homes of prospects. He eliminated demonstrations in the home. He cut selling cost from 8 per cent to 3¼ per cent; 1 to 2 per cent of the cut being credited to increased business and the rest to advertising and training. Advertising expenditures increased, of course, but the expense of marketing the product remained normal.

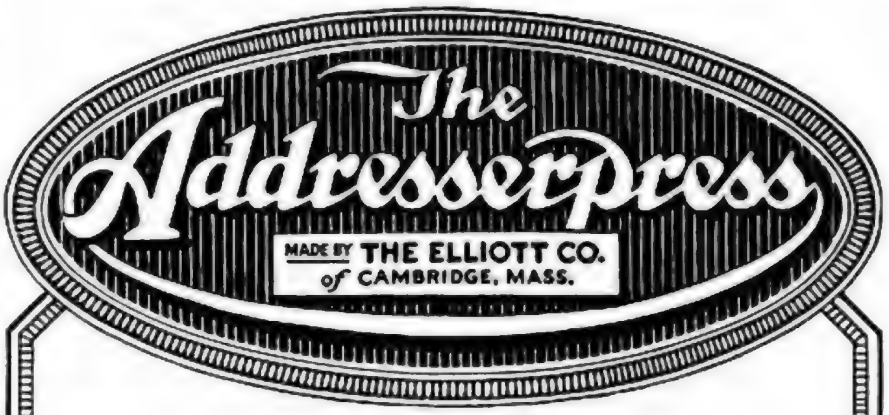
"In the average specialty shop the marketing expense is about twelve per cent," Mr. Brown explains. "This is divided into eight per cent for selling and four per cent for advertising. By bringing my selling down to three and one-fourth per cent and raising my advertising to eight per cent I still market the Brunswick under the average cost. At the same time I have built up a $400,000 business in less than three years."

MR. BROWN keeps in touch with the public and learns the buyer's attitude as well as that of the salesman. For example, he knows that a woman dislikes to figure interest. If she pays $25 down and $15 a month she does not understand why she has to pay $6.87 at a future date to cover something people call interest. For this reason he adds a flat charge of $5 or $10 to the original price, and deducts the amount from cash sales.

The record problem is another example. Everyone asks the question, "How many records do you 'throw in?'" The dealer cannot afford to give records away, yet he knows the customer expects it. Mr. Brown includes $5 extra in his price to cover the charge for a half dozen records. In other words, he states his proposition to be that for $165 he will sell you this machine, give you six records and allow you a year to pay it. That is the agreement. There is no uncertain quantity such as interest or cost of records.

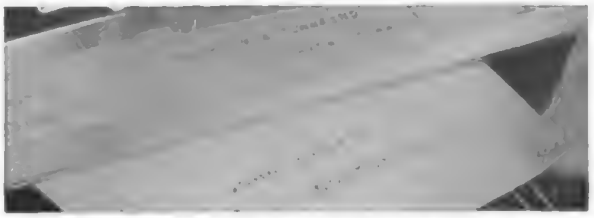
In some recent advertisements Mr. Brown goes a step further in putting his proposition to the public. At the same time he breaks away from conventional phonograph ads.

"$15 delivers this Brunswick today. You pay the balance at $5 a month," his advertisements state. The conventional style would be, "A small payment down—easy terms." But Mr. Brown makes the point that with his copy before them the readers can figure out just how soon they can make that initial deposit and the payments to follow. Then they become real prospects.



Why the Addresserpress is Bought by Business Men

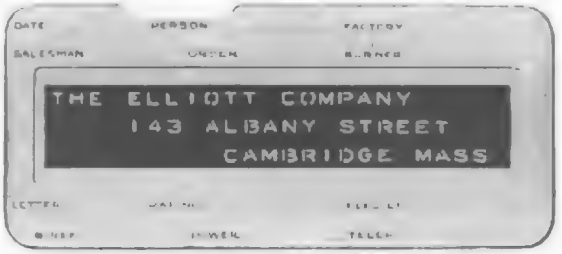
who already own "other" addressing equipment



Because — When you remove the addressed envelope from the Elliott Addressing Machine it is **address side up,** so you don't have to turn each envelope over to see the address, as is necessary with **other** addressing machines.



Because — You can stencil your addresses into Elliott Address Cards **with any regular typewriter.** You don't have to buy an expensive address embossing machine and you don't have to send your addresses to an outside concern when you need additional address plates.



Because — Since Elliott Address Cards are made of **fiber** you can print and write on their frames. Any Elliott Address Card will print 10,000 addresses. Elliott Address Cards never get **stuck** when going through the Addresserpress. Elliott Address Cards are about one third as **bulky** and about one seventh as **heavy** as the **metal** address plates used in **other** addressing machines.

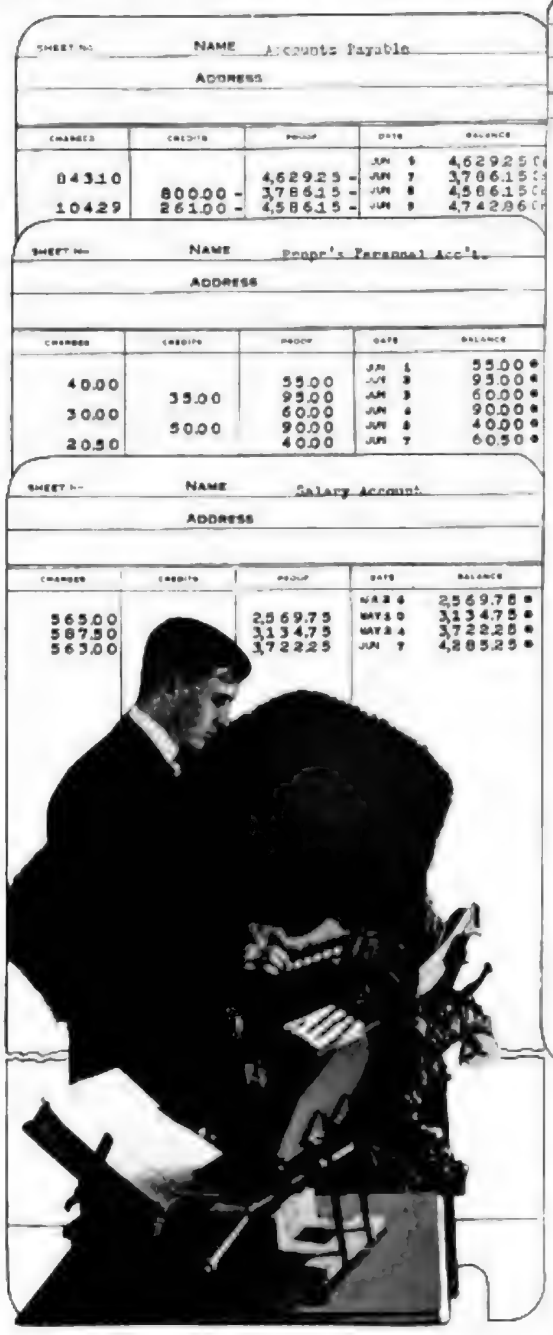
Just tell us your addressing problem and we will do the rest

THE ELLIOTT COMPANY

143 ALBANY STREET **CAMBRIDGE 39, MASS.**

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Know *ALL* About Your



"HOW MUCH DO I OWE?" "How much do my customers owe me?" "How much cash business did we do today?" "How much credit business?" "How much money is there in the bank?" These are some of the things every merchant wants to know every day.

Such information tells you when you must curtail credit to your customers; when you can afford to make new investments; whether you can borrow money at your bank and approximately how much; whether your business is gaining as rapidly as it should; in fact, everything you need to know about your finances for properly conducting your business.

The Miesen Mercantile Company of Casselton, N.D., knows all of these things—and more—daily. It knows the exact balance owed by each customer and the exact amount owed each creditor; the amount charged to each item of expense and the standing of every general ledger account. A Burroughs Bookkeeping Machine and a Retail Bookkeeping System have made this possible, and at the same time have so simplified the work of the office that the amount of work actually has been decreased since the pen-and-ink method of bookkeeping was abolished.

Burroughs Bookkeeping Machines are used successfully by stores having all the way from 75 to 5000 and more accounts. If yours is in this class, it will pay you to investigate. You can use a Burroughs to post customers' accounts, accounts payable and general ledger accounts; to make out statements and sales distributions, and for many other purposes. Any Burroughs salesman will be glad to give you complete information.

ADDING-BOOKKEEPING-CALCULATING

A-B-C

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The speed-way of filing—

Perhaps you remember that world-famous description of a well-known motor car: "It gets you there and it brings you back."

Let us appropriate it for a moment and see how it applies to filing.

It is true that anyone can file letters. But it takes a mighty good filing system to *un*-file them. The return trip is important.

The test of any filing system is its ability to produce right now, this minute, the letters that were put away yesterday—or six months ago.

The L. B. Automatic index is that kind of a system. It not only speeds your letters into the file, but it speeds them out again on request. "It gets them there and it brings them back!"

How? By a system that is simplicity itself—a Twentieth Century filing system that really checks itself against errors.

Write for descriptive literature

Library Bureau

Founded 1876

Card and filing systems

Filing cabinets wood and steel

Boston 43 Federal street

New York 316 Broadway

Philadelphia 910 Chestnut street

Chicago 6 N. Michigan ave.

Albany, 51 State street
Atlanta, 162 N. Pryor street
Baltimore, 14 Light street
Birmingham, 2200-4 Jefferson County Bank bldg.
Bridgeport, 980 Main street
Buffalo, 120-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 202 Hubbell bldg.
Detroit, 68 Washington blvd
Fall River, 29 Bedford street
Hartford, 78 Pearl street
Houston, 708 Main street
Indianapolis, 212 Mercants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 620 Caswell block
Minneapolis, 428 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 437-439 Oliver bldg.
Portland, Me., 465 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1222-24 Mutual bldg.
St. Louis, 313-315 Arcade bldg.
St. Paul, 116 Endicott arcade
Scranton, 408 Connell bldg.
Springfield, Mass., Whitney bldg
Syracuse, 401-407 Gurney bldg
Toledo, 620 Spitzer bldg
Washington, 742 15th street, N. W.
Worcester, 716 State Mutual bldg.

Distributors
F. W. Wentworth,
San Francisco, 530 Market street
Seattle, 108 Cherry street
Oakland, 1444 San Pablo avenue
McKee & Wentworth,
Los Angeles, 440 Pacific Electric bldg.
Parker Bros.,
Dallas, 109 Field street
C. G. Adams,
Salt Lake City, 100 Atlas bldg.

FOREIGN OFFICES——London Manchester Birmingham Cardiff Glasgow Paris

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Graced! She, who in the business of this brisk day is a persevering and now really tremendous power—"the second in command"—is quick to stamp with her unrestrained approval those things which best help to lighten the burden of her work. A new order! Because the Mimeograph is particularly a woman's implement—neatly doing in hours the work of days—its importance in the world of commerce has kept pace with the remarkable growth of woman's influence in business. Today the Mimeograph is duplicating, at the remarkable speed of five thousand well-printed copies an hour, all kinds of form letters, bulletins, blanks, designs, maps, diagrams, etc., in unnumbered thousands of institutions throughout the world. And thereby it is cutting costs and tedious labor down to minimum. Booklet "B-6" will tell you how this is done. Send for it now. A. B. Dick Company, Chicago—and New York.

EDISON-DICK MIMEOGRAPH

GIFT

BUSINESS

AUGUST 1920 125,000 COPIES



Burroughs Adding Machine Company

Detroit, Michigan



A List of Kalamazoo Users could well be called a Blue Book of American Business Institutions

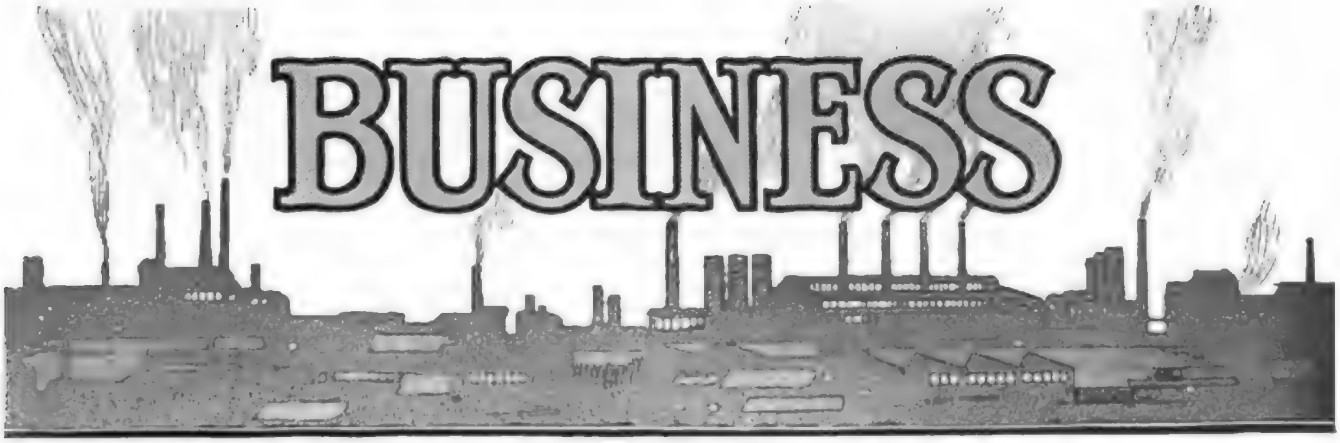
KALAMAZOO
LOOSE LEAF · DEVICES AND ACCOUNTING · SYSTEMS

Kalamazoo Loose Leaf Binder Co.

Kalamazoo Michigan

Service Sales Offices in Principal Cities

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Volume one
Number eleven

AUGUST, 1920

Lucien Kellogg, *Editor*
W. D. Humphrey, *Business Mgr.*

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Published monthly in Detroit, Michigan

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Make this test in your filing department

Direct Name Filing System

HOLD a watch on your file clerk the next time you ask for a letter. Make several tests—then strike an average.

If the average time required to produce a letter is more than ten seconds, then your filing department needs immediate attention.

By actual time-tests conducted in offices throughout the country the "Y and E" Direct Name Filing System has reduced filing or finding time to less than ten seconds.

A "Y and E" System Service man can show you in a few moments how to bring your filing department up to this standard. Send for him today.



"Y and E" equipment in the New York offices of the Vacuum Oil Company.

Write on your business letterhead for our illustrated booklet—"Finding and Filing in Less than Ten Seconds."

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Branches, Agents or Dealers in all principal cities.

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Millions for Man Power

The Story of the Goodyear Industrial University and How It Is Helping 33,000 Men and Women to Help Themselves

By FRANK T. TUCKER

ACROSS THE STREET from the factories of the Goodyear Tire and Rubber Company of Akron, Ohio, towers a $2,500,000 educational and recreational building, topped with impressive castle-like abutments—a monument to the development of men. Within its seven stories of brick and masonry are housed one of the finest theaters in Ohio, a gymnasium larger than those of many of our state universities, bowling alleys, billiard rooms, rifle ranges, shower baths, swimming pools, dormitories, a cafeteria, a library and a regular university, with completely equipped class rooms and laboratories, where provision has been made for 33,000 employe students.



Goodyear Hall, dedicated "to Education and Fellowship"

The building in itself represents one of the greatest steps ever taken by a corporation to provide recreation and physical training for its employes, but the eyes of the business world are on Goodyear Hall chiefly because it embodies an experiment in industrial education.

P. W. Litchfield, vice-president of the Goodyear Company, is the man who planned both the hall and the university. Five years ago he felt the need of something big at Goodyear for the play and training of the company's thousands of employes. He dreamed of a great university, similar to state and endowed institutions, where the men and women of Goodyear might continue educational work that was left off when they dropped out of school; a place where they might combine recreation and education to the fullest realization of their opportunities for advancement and pleasure.

But there were sound, economic principles behind Mr. Litchfield's dream. He sensed the dawning of a new era in industry, when the success or failure of a business will be determined by its man power. He saw that the time was at hand when the real creative force in the world would be men and not machinery. Mr. Litchfield is factory manager of the Goodyear plant and his own explanation of how the university came to be started contains a thought for other large-scale production managers.

THE past age has been spoken of as the age of the machine, and of machine development," said Mr. Litchfield. "The growth of the factory system put a premium on machine development. The rivalry of industrial concerns was based on the development of the machine. A point was reached where a factory with modern, up-to-date machinery might succeed even with inefficient labor.

"In other words, the deciding factor in the success or failure of a concern was the production of the machine.

"The result was that man power became, in a way, less valuable, and, to some extent, was neglected. The work became subdivided, more and more monotonous. It resulted in unrest and disquiet among the laboring men and in a heavy labor turnover, until, at the present time, it has become largely a question, not of the theoretical capacity of the machine so much as the number of hours the machine is going to run and the efficiency of the men behind the machine.

"Too little attention has been given in the past to the development of men in their relation to machinery. This was partly due to the fact that it was usually assumed that the machine was the property of the manufacturing concern, and that, if it were improved, it would always be used for the benefit of the industry, while men, if they were trained, probably would drift away to some other concern, thereby depriving the company of the benefit of their training.

"But we have seen more and more, both in industry and in all great crises, that fundamentally the greatest thing to develop and preserve is man power.

"So we have built here not only a hall for recreational and physical training, but for general education, so that the men of Goodyear can have the opportunity of further broadening their usefulness to their own benefit.

"It used to be, when concerns were smaller, that one or two men could do all the thinking and that their plans could be executed by the men in the factory. But as industries grew larger we found that it took more than a few men to do all of the thinking and planning in order to have an efficient organization.

"In developing the hands for mechanical production, we have neglected, up to this time, the employes' hearts and heads. We have reached a situation in industry which might be compared with that of an army composed entirely of privates, without a leader. It would be an army without morale.

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When you get a condition like that, movement is slow. It is a case of driving. It is the problem of industry so to conduct the education of men that they may think of the problems of industry and help with their heads as well as with their hands.

"The education which we are undertaking here is to afford an opportunity for all of the men in Goodyear to correlate the knowledge of the fundamentals of business in their own work and the work in hand so that they may continue to broaden themselves, and so that when they find something in the shop that they do not understand the reason for, they can get that reason in the school, and that what they learn in the school they may apply in the factory.

"Goodyear Hall and the university stand first as monuments to the fact that hereafter this company intends to devote its energies to the building of men instead of devoting them exclusively, as in the past, to the building of the machine and the product."

After five years Mr. Litchfield's dream has come true. The hall is now used by thousands of employes daily and nearly 6,000 are enrolled in the university. It is dedicated—

"To Goodyear men and Goodyear women, wherever they may be, a great army of people, touching hands around the globe; to education and fellowship; to the forwarding of every right ambition; to the realization for every man and every woman of his usefulness to self, family, company and country; to better understanding between man and man, between management and men; to mutual helpfulness and service; to the fullest loyalty to America and the fulfillment of her promise of moral, intellectual and industrial leadership among the nations; to loyalty and friendship and fair dealing and good will—to these purposes this building is soberly and prayerfully DEDICATED."

Complete university accommodations are provided on the upper floors of the hall. There are lectures and assembly rooms, several fully-equipped laboratories, sixty-five large class rooms and faculty suites.

Already 600 classes have been started, so arranged as to permit the attendance of office employes and factory workers from all of the three daily shifts.

Courses ranging from the fundamentals of rudimentary grade school education and Americanization work to classes for college graduates in mechanical and chemical engineering and rubber chemistry are provided under highly trained instructors. They are open to all of the company's employes.

The university is the virtual outgrowth of the factory school established several years ago. It specializes in vocational education, but its scope has been so broadened that it now holds opportunities for self-improvement, not only for factory workers and untrained, foreign-born workmen, but for all classes of employes up to the highest factory, office and sales executives. One of the most enthusiastic and best attended classes in the university is composed of district and branch sales managers for whom courses are held at frequent intervals.

The doors are open from seven in the morning until eleven at night to the youth of 16 to 18, forced out of school to help support a family; to the foreign-born rubber worker, eager to become Americanized; to the man who missed most of his opportunities for education and who is anxious to overcome his handicap; to the man or woman whose college career was interrupted or left incomplete, and to the college graduate eager to train himself or herself along specific lines of advancement in the rubber industry.

DEAN Herman Schneider of the School of Economics of the University of Cincinnati and Dr. A. F. Sheldon of the Sheldon School, Chicago, did the greater part of the work of planning the various courses of study and Mr. Litchfield, as chairman of the board of education, has organized a faculty of 117 members under H. E. Blythe, manager of the university, and A. E. Horrocks, educational director.

Mr. Blythe, who has just reached the age of 30 years, is said to be the youngest college executive in America. Other members of the faculty include Dr. John A. Custer, who for many years occupied the chair of history at Lawrence College, Appleton, Wisconsin, and Prof. W. E. Emery, formerly of Carnegie Institute of Technology, Pittsburgh. A number of special language instructors have been engaged so that employes who expect to go into the foreign field may take up the study of other languages.



P. W. Litchfield, vice-president of the Goodyear Company—the man who conceived the idea of the industrial university

The university is divided into four distinct divisions—the production school, sales school, school of commerce and the school of household arts. Here are a few of the courses offered:

Mathematics, mechanical drawing, physics, chemistry, engineering, personnel in business, organization management, better letter writing, effective speaking, rubber technology and chemistry, business economics and effective stocking methods. In addition there is an Americanization department, where more than four hundred foreign-born employes are now learning the fundamentals of the English language and the rudiments of a general education. There are also stenographic and typist courses for young women and the school of household arts offers courses in domestic science, sewing and housekeeping. In many instances married women are working in the offices, while their husbands are in the factory, and in this way the university offers opportunities to both members of the family.

The production school is at present the largest, and one of its most popular classes is organized into what is known as the "flying squadron." It is composed of experts and those studying to become experts in factory production. At present there are 1,200 men in the "flying squadron," men who are taking a three-year specialized course to fit them for foremanships and executive positions in the factory. They are so trained that they can "fly" from one part of the great factory to another and be equally useful in all places, filling any vacancies, day or night, that might disorganize the production schedule. Upon completing their course they receive diplomas with the degree of Master Rubber Worker. Members of the Engineering Division of the "flying squadron," at the end of their course, will receive the degree of Graduate Rubber Mechanic.

Foremen from each of the three daily shifts are taking the vocational course for foreman and factory executives, which covers a year of study and class work. A thousand inspectors are taking a special eighteen months' course, designed to make them expert judges of the quality of workmanship and material put into tires. Tires in all stages of production are analyzed and the qualities of tires that have made them exceptionally good road marks are studied minutely with the idea of keeping the production standard high.

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The Library. Men and women from all three shifts come here to study for their classes or to read for recreation

But to the visitor at the university probably the most interesting classes are the apprentice classes. Although there is a large class of apprentices taking drafting work, the crowd of grimy apprentice machinists, "rubber-heeling" it from class room to factory and back to class room, is one of the finest sights in the school.

Boys from the age of 16 years upwards are eligible for entrance in the apprentice machinists' course, and to look at them one would think that the chief qualification for their graduation was a grease-smeared pair of hands and a blackened face. For this jolly class, undoubtedly the livest in the school, looks as if it were on the dirtiest job in the factory.

And there's a reason for all this grease and dirt. Their foreman exposed it. They want to look just like their fathers—like real Goodyear workmen. They want to go home looking like regular machinists, and so, whenever they get a chance during the day, they smear on the dirt for all they're worth.

"I've often seen them," whispered their instructor, an experienced factory foreman, "smear up with grease just before they leave for home, so they'll look like regular workmen when they get on the street cars."

That little trick shows one of the things Goodyear is accomplishing in its aim to "Humanize Industry." This class of sixty apprentice machinists, with their social organizations and athletic teams, is a fair example of what the company is doing to develop the "Goodyear Spirit."

These lads enter the school in the machine shop, where they are taught actual work. They work the regular eight-hour day, but only six hours of it in the factory. Three days a week they spend two hours in the school, studying shop mathematics, English, physics, shop practice and economics. The two-hour period on the other days is spent in gymnasium work and physical drill.

Thus they learn the "why" and the "how" of each operation and the fundamental principles to be employed in turning out certain kinds of work; thus, too, they learn enough of mathematics to enable them to understand thoroughly the machines they operate and enough along other lines of education connected with their work to give them a start toward the better positions in the factory.

Co-ordination of class work and practical work is the big thought, not only in the training of these apprentices, but back of the company's entire educational program. In every case shop, office and field work is tied up most effectively with educational work. Instructors in the four schools are trying not only to close up gaps in education, but to give their instruction a practical aspect, void of a stereotyped class room atmosphere.

PROBABLY the largest colony of deaf mutes in the world is that at Goodyear, where 700 are employed and where the "silents," as they are known at the factory, have their homes grouped together and participate in community sports and social activities. The university provides for them as well as for their more fortunate co-workers. Many, indeed, who are not thus afflicted attend certain classes with the mutes and thus learn to converse with them without the aid of pad and pencil.

In fact, the university and the hall in which it is conducted offer opportunities to every employe of the company. Art is not neglected, nor is the drama. High-class theatricals frequently are produced by one of the three dramatic clubs and John Valent, curator of the Art Museum, can boast of some of the finest art exhibitions ever given west of New York City.

More than 30,000 people visited the museum recently to view an exhibit of paintings by Cincinnati artists, and a few weeks ago employes saw an exhibition of a collection of Joseph Pennell's lithographs.

The collection was Pennell's "War Series" and included scenes of the work of American industries in the war. His scenes of shipyards, factories, skyscrapers and man-power industries in general instilled in every Goodyear man and woman who visited the museum a feeling of pride in being a part of American industry.

This is just another of the ways in which the university is trying to "Humanize Industry" and to develop "Goodyear Spirit."

Many concerns feel, or rather fear, that the thousands—or, as in the case of Goodyear, the millions—spent in training and developing employes may be wasted by the shifting of these employes, after they have been trained, to other concerns. Goodyear feels that the best way to guard against such a situation, the best way to protect its heavy investment in industrial education, is to develop a spirit of loyalty to the organization; a sense of partnership and pride; a desire to protect the good name of "their" company. And loyalty to the company is what is meant by the "Goodyear Spirit"—loyalty and co-operation and service.

Just as colleges and universities have utilized athletic activities to keep their students full of the school spirit—even to keep some of them in school—Goodyear has instituted an athletic program for the same purpose. Athletics are promoted by the organization's own talent, "movies," minstrel shows and dances.

"Will it all pay?" asks the business man, who no doubt is somewhat startled at the big way this company

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A Harvest for the Reaping

The Farmer's Wife Owns a Sewing Machine, But She Still Needs a Vacuum Cleaner, a Washing Machine and Bathroom Equipment

By AARON HARDY ULM

ALMOST EVERYBODY recognizes that the last few years have brought about a great change in the economic and social status of the American farmer.

Few people, indeed, are more catered to than the farmer; he is a man with a bank account; a man with a new standard of thinking and a new standard of operation. He has learned much from advertising and salesmanship, and by means of advertising and salesmanship many a manufacturer has established contact with the farmer's purse.

Not so many years ago it required high-powered salesmanship to sell a farmer a piece of harvesting machinery; today his condition is so greatly changed that we find him a "prospect" for high-grade automobiles—and quite as good a prospect as his city brother.

Meanwhile the farmer's wife, too, has been progressing—but not nearly so fast as the farmer. She has been the object of no such advertising broadsides, no such campaigns of personal salesmanship, as has her husband. Comparatively few manufacturers have paused to reflect that the heart of the farm is the home, and that the person who makes and vitalizes the farm home is the farmer's wife.

Wherefore, in America—as revealed by recent investigations—barns are much better equipped, in a mechanical way, than farm homes. Whereas the farmer, his desires aroused by people who have labor-saving devices to sell, has installed the "latest and best" equipment for tilling his fields, harvesting his crops and caring for his horses and cattle, the farmer's wife too often is still bending over the old-fashioned stove and the old fashioned wash-tub and sweeping the old-fashioned carpet with an old-fashioned broom.

There are, of course, exceptions to this condition of backwardness. One of the most notable, and in its completeness the most surprising, is the outcome of indirect publicity. The low character of the common house fly has been so well advertised in recent years that today no less than 96 per cent of the farm homes in the eastern central and western states are equipped with screens for windows and doors.

A more direct form of advertising, supplemented by personal salesmanship, probably is chiefly responsible for the fact that sewing machines rank almost as high as screens, 95 per cent of the American farm homes being equipped with sewing machines. Use and exploitation through several decades have put the sewing machine, like the kitchen range, on the plane of an indispensable utensil.

But the carpet sweeper and the vacuum cleaner, regarded by their friends as no less necessary than the sewing machine, have not been so well sold; in only 47 per cent of the farm homes is one or the other to be found.

Washing machines fare better, being in 57 per cent of the homes. Nor does the remaining 43 per cent send its washing away to be done, for the figures show that the washing for 96 per cent of the rural homes is done on the premises.

These facts and many others that are of much interest and value to manufacturers and distributors who make and deal in household utilities were developed recently by an extended survey of rural homes, conducted under the direction of the United States Department of Agriculture.

The survey included thirty-three states—in fact, all except the southern tier, which probably will be surveyed later on—and revealed that the number of women in American farm homes is almost 7,000,000.

The job was supervised by Miss Florence E. Ward, the expert in charge of the government's extension work with the women of the north and west. It was supervised in each state by agricultural college extension agents, or home economics demonstrators, who made first-hand investigations. Typical farming communities, usually



Young orchards near Wenatchee, Washington, famous as the "Home of the Big Red Apple." A choice fragment of the great undeveloped market for labor-saving equipment for the home

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several counties, were selected in each state, with the object of getting cross-section reports that would show average conditions everywhere. In the selected districts every farm woman was examined by means of a questionnaire covering twenty-four main subjects and including nearly 200 direct questions relating to her work, the equipment for doing it, her environment, and a good deal about the farm and the farm family in general. The questionnaire was filled out by more than 10,000 women.

The returns have been reduced to statistical form, grouped by states, by sections and for the country as a whole. They show that the farm home is much behind the farm in general and that in many lines it presents a remarkable prospect for new or increased business.

And Uncle Sam, through the Department of Agriculture, hopes to see this business realized upon, for he is very anxious to conserve "woman power" on the farm, and, by making the farm home more attractive to women, render farming more popular.

"The loss to family and community, by such waste of woman power as the survey discloses, could be prevented by a reasonable amount of planning and well-directed investment in modern equipment," says Miss Ward. Perhaps in the one item of power the country home reveals the greatest evidence of failure to keep abreast of the times.

"As power on the farm is the greatest saver of time and labor for the farmer, so power in the home is the greatest of boons to the housewife," continues Miss Ward. "Of the total number answering the question, 48 per cent reported power for operating farm machinery. . . . It seems a singular fact that this same advantage is enjoyed by no more than 22 per cent of the farm homes. The eastern section reports 50 per cent of power on the premises and 12 per cent in the home. One state reports 7 per cent and another—the lowest—2 per cent of power machinery in the home. Only one state, Utah, shows a larger percentage of power in the home (43 per cent) than on the farm (21 per cent). Illinois shows the highest per cent (48 per cent) of power in the home, with 79 per cent on the farm, and Iowa comes next with 56 per cent in the home and 65 per cent on the farm."

When it comes to lighting systems there isn't much difference the country over. Kerosene lamps are still used in 79 per cent of country homes. In 61 per cent water must still be carried from pumps or springs that average a distance of forty feet from the kitchens; the distance varies from twenty-three in the east to sixty-five in the west.

There is running water in the kitchens of only about one-third of the country homes in all sections although in the east the farm woman, to the extent of 67 per cent, has caused the kitchen to be equipped with some improvised sort of water system.

Sinks and drains run pretty high, 80 per cent, in the rural kitchens of the east, but fall to 44 in the west. Carpet sweepers are in 58 per cent of eastern country homes and in only 29 per cent in the west.

Outdoor toilets score high in all sections, being still depended on in 90 per cent of farm homes with only a few points' variation for the sections.

The bath-tub is still mighty scarce, the survey shows, in rural communities. Only 20 per cent of homes report them, and the average runs pretty even for the country as a whole.

Only about 20 per cent of rural housewives have yet installed gas or electric irons.

Automobiles, it is shown, are almost as common in the country as in the cities. Ninety-two per cent of the homes in Kansas, eighty-seven in Nebraska, and eighty-three in South Dakota—the three states where they average highest—report them. For the north and west as a whole they are on 62 per cent of the farms.

The telephone scores even better. In Illinois it is in 96 per cent of the farm homes, and, of a total of 9742 homes throughout the north and west reporting on that item, 72 per cent have telephones. Men, of course, need and use telephones and automobiles. Very few of the wives that filled out questionnaires said they could drive the family car.

The figures show that home-heating equipment still lags behind. Nine thousand women reported from one to two stoves, not counting the kitchen range. There's a chance for direct appeal to most of the women on that score, for 54 per cent report that they have to kindle the fires in the morning and keep the home fires going during the day—carrying in the wood and taking out the ashes. Furnaces not only add to the general comfort, but transfer the burden of looking after fires from the women to the men folks.

The report shows that the farm housewife extends her activities in surprising measure beyond the living house proper. More than one-half of them care for the family gardens; 81 per cent of them look after the poultry. The flocks average 90 members. Hence, in the matter of garden and poultry implements, the appeal that would prove most effective would be directed at the farmer's wife.

One-fourth of the women help with live-stock; more than one-third help with the milking; 88 per cent wash pails; 65 per cent attend to separators, and 60 per cent do the churning.

Those items are significant when we reflect that on the average farmstead

What the Farmer's Wife Does—and What She Has to Do It With

	Rooms to care for	Stoves to care for	Kerosene Lamps	Water to carry		Wash and Iron	Sewing	Daily Mending Hours	Bread Baking
				Percentage	Distance Feet				
	Average	Average	Percent	Percent	Average	Percent	Percent	Average	Percent
Eastern States	97	135	79	54	23	94	88	5	89
Central States	77	13	79	68	41	97	94	6	78
Western States	53	25	77	57	65	97	95	5	97
Average	78	16	79	61	39	96	92	6	94
No Records	9871	9210	9830	6511	6708	9767	9724	8001	9614

	Running Water	Power Machinery	Water in Kitchen	Sink and Drain	Washing Machine	Carpet Sweepers	Sewing Machines	Screened Windows and Doors	Out-door Toilet	Bath Tub
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Eastern States	39	12	67	80	52	58	94	95	87	21
Central States	24	29	47	52	67	46	95	98	93	18
Western States	36	22	18	44	49	29	95	91	86	23
Average	32	22	48	60	57	47	95	96	90	20
No Records	9320	9080	6949	9334	9472	9513	9560	9667	9580	6764

What the farm woman needs, says the Department of Agriculture, and what she can be taught to buy, is more labor-saving equipment. In equipment the farm home is far behind the field or even the barn, with the result that the farm woman's task is no easy one. The Department looks to manufacturers and advertisers to do their share in improving conditions in the farm home, just as they have in other parts of the farm

(Continued on page 30)

When You're Missed at Healy's

How One Merchandiser Uses His Ledger as a Mailing List and Revives Old Accounts by a System of Personal Letters

By ARTHUR H. LITTLE

Detroit, June 10, 1920.

Mrs. Wm. A. Brady,
189 High Street East, Detroit.

Dear Madam:—

I wonder if you ever stop to think that even in this busy city you are missed when you don't appear at certain places, and I wonder if you know you are missed at Healy's.

A great part of the pleasure I have in life is the knowledge that I have the confidence of our patrons. If, for any reason, our service has displeased you, please let me have it satisfactorily settled for you.

Sincerely yours,
(Signed) D. J. HEALY.

D. J. HEALY is a Detroit shopkeeper. His store on Woodward Avenue has something of the appearance of a department store; it is a department store in that its selling operation is departmentized and that the merchandise it sells ranges in variety from women's wear to linens and certain lines of house furnishings. But the departments, as to the merchandise they sell—it is all high-grade merchandise—and as to their management under the Healy policy, are "shops." The Healy store is simply a group of shops, each dealing in a certain line of merchandise, but all, of course, directed and managed as one enterprise.

The "Mrs. Wm. A. Brady" to whom the letter quoted at the beginning of this article was addressed was—or had been—a patron of The Shops of D. J. Healy. But for the six months preceding the first of June she had bought nothing in the store, hence the letter.

In itself, that letter, despite its happy thought of telling Mrs. Brady she has been "missed" at Healy's, is not a tremendously remarkable document. The thing that makes the missive unusual and interesting is the fact that letters just like it were sent, during the same week in June, to 1,200 other patrons of the store who had been "missed" at Healy's. There's the personal touch, truly, but on a wholesale scale. And the mechanics of thus expanding personal contact from a "retail" to a "wholesale" basis constitute a bit of ingenuity in office work for which the credit is due to Carrol Hale, office and advertising manager of Healy's.

The ledger, the credit file and a box of transparent green tabs: these are the tools of the method. The little green tabs slip into the transparent pockets that hold the individual-customer cards in the credit file; they show on the surface. Each little green tab marks a customer that has been "missed." And the typist of the letters, as she writes to all the Mrs. Bradys that haven't called at Healy's lately, needs but to skim over the surface of the file to get the names of the absent ones. The credit card, in the same pocket in the file, gives her the address of each. How the little green tabs get into the credit file and how they are taken out and how the system is made virtually self-propelling—that's the essence of the thing.

Every week some one goes through the card ledger. A glance at each account shows the date of the last purchase; if the date is six months back, a note is made of the name and address. Thus is made up the list of absentees. For each absentee a little green tab goes into the proper pocket in the credit file. And then the typist, with a section of the credit file on her desk alongside her typewriter, twirls a clean sheet of Healy's expensively simple stationery into the machine, types the date and Mrs. Brady's name and address, then writes the body of the letter—"copy" for which is before her—finishes with "sincerely yours," and tosses the letter into a basket for the signature of D. J. Healy. Thus she goes through the credit file.

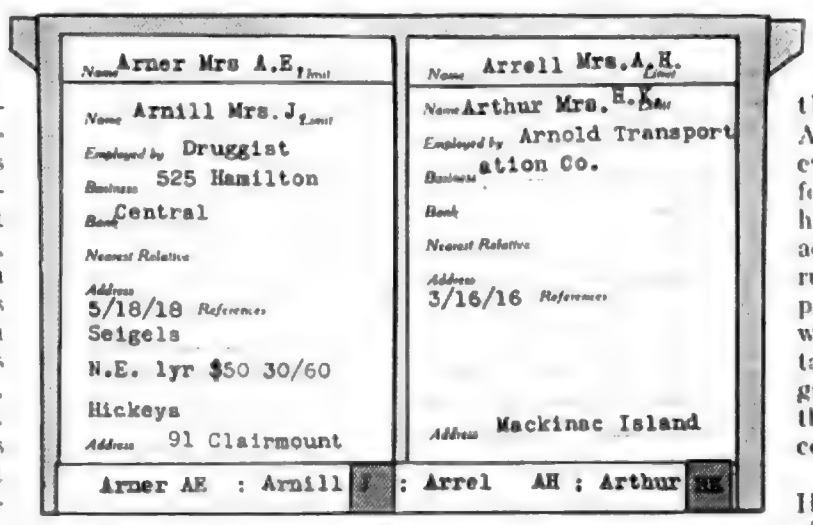
From time to time, as possibilities for improvement in context and phraseology become apparent, the body of the letter is changed and the typist gets new "copy." But always her method of procedure is the same. She writes what is given her to the persons whose names are designated by the little green tabs.

But the letters are signed—every one—by Mr. Healy; and they go out to Mrs. Brady and the rest of the absentees—and they have an effect. Mrs. Brady and her sister patrons—or some of them at least, as will presently appear—put Healy's back on their calling lists. They come in and buy; and somehow the little green tabs—or some of them, at least—have to be taken out of the credit file. But that is simple, too. The ledger does it.

The charge slip for Mrs. Brady's purchase goes—along with the other charge slips of the day—to the ledger poster. And that young woman, when she comes to Mrs. Brady's charge, must turn for Mrs. Brady's account to a ledger card that she knows has not been lifted out for posting for some time—several months, at least. Again, a glance at the last balance and the date is sufficient. Mrs. Brady, who had not bought for six months, has been in again.

The ledger poster jots down on her scratch-pad the name and address. And thus she goes through every posting run, watching for inactive accounts that have suddenly become active. At the end of the run she carries her scratch-pad to the credit file, and, with the list as a guide, takes out the proper little green tabs, thus removing the names of the renewed accounts from the mailing list.

"The point is," said Mr. Hale, "that the customers already on our books are the people we want to keep. We know them and they know us. We know their

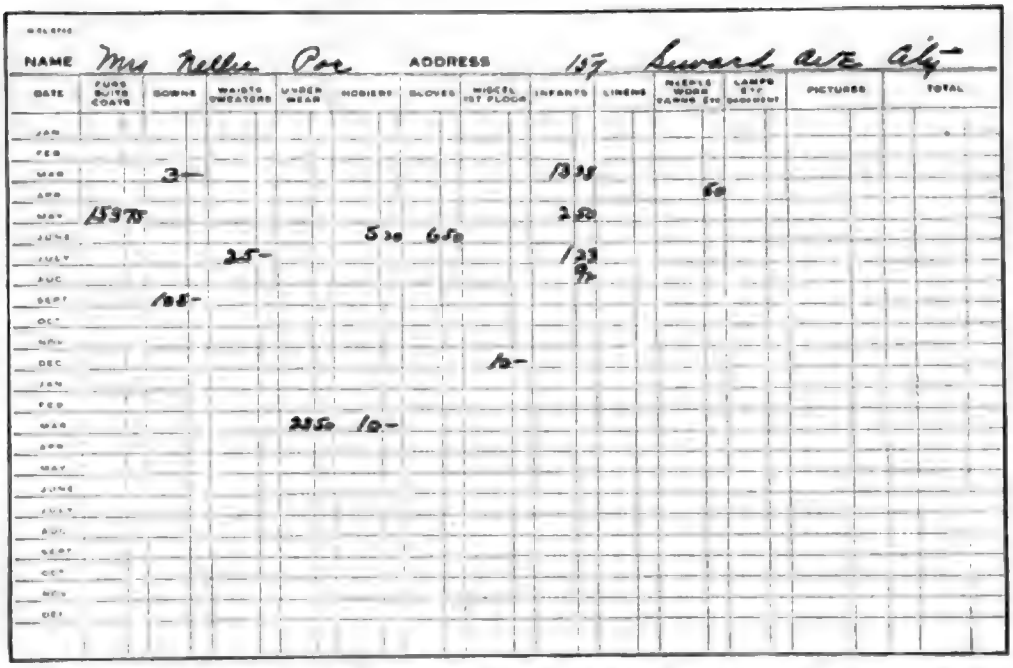


The little shaded squares in the illustration above represent celluloid tabs—the one at the left a green tab; the one at the right a red tab. The red tab relates to the customer's credit standing; a green tab shows that the account has not been active for six months or longer. When the account again becomes active the tab comes off and the name is removed from the mailing list.

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credit standings and we know their individual likes and dislikes. It is greatly to our interest to cultivate those customers. We can't afford to lose them, especially when the loss might be due to nothing but pure neglect.

"The personal touch is the only means open to us, and yet even in that, we must uphold the dignity of our relationship with our patrons. If we attempt the personal method of cultivating their patronage, it must be with such technic that there can be no doubt in the minds of the patrons that the touch is genuinely personal. Our patrons are critical and discriminating. That is why each of those letters carries the signature of Mr. Healy himself. That, also, is why each letter actually is written entire, from the date to the closing, at one operation and on one typewriter. The letter is real, from start to finish. But just to make it convincingly real to the person that is to get it, the typist deliberately makes a couple of typographical errors in the typing. She makes an erasure—so it will show—or she strikes the wrong key in some word, and then prints the right letter over the wrong one."



The basis of the direct-by-mail campaign. This card shows what articles the customer has bought and when she bought them.

THE work? Virtually, the work entailed in sending Healy's personal message to the Mrs. Bradys is an incident in the Healy office routine. The same typist that fills out the monthly statements to customers, as the statements come to her from the bookkeepers, does the letter-writing. Her statement work requires only five or six days of each month. The rest of her time she may devote to writing to missing customers. And most of the three weeks of every month are devoted to that activity, for the letter-writing process is a continuous one. From week to week and month to month customers' accounts are being found to have been inactive for the specified six-month period and constantly the letters are going out.

Just now the specified period of inactivity happens to be six months. But the intention is to intensify the sales-promoting effect of the letters by narrowing the limit to three months—that is, so to develop the process that customers that have been "missed", for only three months, instead of six, will hear from the chief shopkeeper.

Reference was made, a few paragraphs back, to information that is valuable to an advertising manager who is running a direct-by-mail campaign. What sort of person is to get the piece? Is she married, or single? What does she like? The value of information that answers these questions, and others, is so obvious that it needs but to be suggested to be appreciated. How Mr. Hale is gathering that sort of information—and getting it, too, from the books of the store—is quite another story, but one that may be touched upon here.

Carbon copies of the monthly statements constitute the source of information. There's an index card, about six-by-nine, on which this information as to each respective customer is tabulated. At the top, of course, appears the customer's name and address. Below this is a cross-hatched space, with columns up and down for lines of merchandise and lines crosswise for the months of the year.

The columns are designated thus: Furs, suits and cloaks; gowns, waists and sweaters; underwear; hosiery; gloves; infants'; linens; needlework, yarns, etc.; lamps, etc.; pictures, and miscellaneous. With the stack of statements at her elbow, a clerk posts to each individual card the past month's purchases, sub-dividing them as to kinds of merchandise and entering the amount of each purchase in the proper column and on the proper month-line.

Filled in with a few months' or a year's purchases, that card becomes a merchandising picture of the customer. It's a diagram of her social status and a chart of her likes and dislikes. Often the picture changes as the months go on. A single entry in the infants' column, for instance, makes all the difference in the world.

Healy's may be a group of shops, with an unincorporated name, a personality all its own and a personal contact with an exclusive clientele of patrons, but it overlooks few bets. Advertising-Office-Manager Hale conducts a constant direct-by-mail campaign that consists of pieces of advertising literature—expensive stuff, most of it, well designed and well made, but advertising literature, nevertheless.

This advertising material has its own mailing channel. No piece of it ever is permitted to intrude into the deckle-edge envelope of one of the Mrs.-Brady-you've-been-missing letters. But it does go out with the statements and with receipts—always a customer that has made a payment gets a receipt, signed by Mr. Healy—and in special mailings. But the literature, just the same, is as carefully directed, almost, as are the personal letters.

For example, Miss Ima Spinster hasn't a chance in the world of being shocked into indignant surprise—or some other emotion—by the receipt from Healy's of a neat little booklet on the subject of rompers. But if Healy's has something new in the way of needlework things, Miss Spinster will likely be apprised of it through the mails. Her purchase-record card, on file in Mr. Hale's office, will have been the guide.

But, on the other hand, if a card that always has seemed adequately labeled Miss Wya Somebodyorother and heretofore has shown consistent purchases under the columns of furs, suits and coats, waists, gowns, gloves and an occasional dab of an entry under needlework, suddenly displays a congestion of entries under linens, lamps and pictures, then it may safely be assumed that in the due course of time—well, it never does any harm, even to a store as conservative and polite and reserved as The Shops of D. J. Healy, to be forewarned.

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If You're Only Human

By GEORGE W. GRAY

ARTHUR DEALTRY, salesman in the retail furniture house of Hibben & Company, sat down at a desk in the general office, plainly out of humor. There were half a dozen letters to be answered, and he hated to write letters. It wasn't his forte, he told himself. He was a talker, not a scribbler; a salesman, not a desk man; and it was mighty poor business to waste his time really the firm's time—answering questions, straightening out misunderstandings, explaining delays.

Dealtry naturally was an optimist. Grouchiness was not the normal state of his temper. Out in the sales rooms he was a chronic smile artist—one of that rare brotherhood whose friendly eyes invite confidence, whose manner of meeting a stranger instantly breaks down the bars of reticence, whose way of serving a customer makes the latter a willing co-operator in the dual process of buying and selling. To quote Old Man Hibben, Dealtry was "a born salesman."

Nevertheless he had to do a certain amount of letter-writing. A rule of the house required that the salesman who attended a customer should deal with the customer in his future relations with the firm. Dealtry was a new salesman at Hibben & Company's, but he had been there long enough to learn to resent this requirement. Why should he fuss with office details? Why should he have to look up shipping orders, delivery receipts, and other incidental routine outside matters? Thus he argued as he sat down at his desk.

He picked up the speaking tube of his dictating machine, started the mechanism to going, read over the letter that lay on top of his pile, and began his reply. He dictated carefully, clearly enunciating each syllable, as he spoke into the mouthpiece:

"Mrs *period* John Reece *comma* Box ten *comma* Piermont *comma* New York *period* Dear Madam *colon dash* We are in receipt of your valued letter of the fifteenth inst *period comma* and in reply would beg to state—"

Here he clicked the switch to stop



"Mrs *period* John Reece *comma* Box ten *comma* Piermont *comma* New York *period* Dear Madam *colon dash* We are in receipt of your valued letter of the fifteenth inst *period comma* and in reply would beg to state—"

his machine while he referred to Mrs. John Reece's letter. He read it over again:

Piermont, New York, Box 10, Dec. 15

Hibben & Company,
New York City.

Attention of Mr. Dealtry

Gentlemen:

I am writing again to ask about the mattress for a baby bed. You will remember that back in August I ordered this mattress, to be made size 22 inches by 50 inches, and when it was delivered in September it was four inches too short. I reported the matter, and you offered to make a new mattress in the correct size. It is now December, I have not received the mattress, and naturally wonder what has happened. I am still holding the first mattress, expecting to return it as soon as I receive the correct one. Will you please let me hear from you?

Very truly yours,
(Mrs. John)—ALICE REECE

Alice Reece—a nice name, thought Dealtry, as he fingered the letter. He let his mind go back to that day last August when Mrs. John Reece called at the store. It was his first week at Hibben & Company's. She was one of his first customers—a plump little housewife, bustling and businesslike. She wanted the mattress in a hurry, for she was expecting company; among the company was a year-old baby, and the mattress would be quite necessary to the comfort of the young visitor. She wanted delivery by September first, and Dealtry remembered with what glibness he assured her that it would be ready "without fail."

It was a shock to learn, early in September, that the mattress had not been delivered. The fault lay with the shipping department; the mattress had been finished a good three days ahead of time, and had lain around waiting for the shipping clerk to do his plain duty in the matter. Dealtry sent the article out by special messenger and in a formal little note apologized for the delay.

A day or two later came the second missive from Mrs. Reece. She begged to advise that the mattress was four inches too short. *Too short!* Dealtry lost his temper and had a fine row with the workroom upstairs. Mr. Hibben was away when the conflict broke out and by the time he returned its echoes had died away. But to Dealtry that episode meant a great deal. To have to explain to Mrs. Reece that the mattress-makers had decided that a standard-size mattress was wanted, instead of the odd size specified, seemed monstrous; seemed just a flimsy passing of the buck—though that was precisely what happened.

Dealtry recalled now that there was *one* letter he had written with pleasure. In that letter he had frankly reported the attitude of his mattress-makers, accepted full blame for their presumptuousness, and offered to make at once a new mattress of the correct size, hoping that in the meantime she might be able "to make emergency use of the one already sent, in spite of its shortcomings." "Perhaps," he added, "you can stuff pillows in one end of the baby's crib, and so make up in a way for the brevity—though in giving this suggestion I realize how far it is from the adequate service which we desire at all times to render to our customers."

Now the "adequate service" had fallen down a third time. The new mattress never had been delivered—though it was promised in September and this was the middle of December. With a sigh Dealtry resigned himself to the writing of what he hoped would be the final explanation in the extraordinary chain of mishaps. He felt that this would be the last, for he personally had seen to the affixing of the shipping tag; he personally had supervised the delivery of the package to the express. Moreover, he personally

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had measured and weighed the mattress, so he was certain it was of correct size.

All that remained was to inform Mrs. Reece that her mattress was on its way and beg pardon for the delay. The usual brief note would be enough, Dealtry reflected. He had reproached himself for that other letter. It was, perhaps, not dignified. Certainly it could not be called businesslike. It was conversational, colloquial. He wondered if any of the executives had seen that letter. He hoped not. He thought not, for nothing had ever been said about it. At all events, he could dispose of the Reece case now in a few sentences.

He picked up the speaking tube and continued his dictation: "—that your mattress has been made *comma* and is being shipped to you today *period* We regret—"

Again the switch clicked and his machine waited while Dealtry groped for the right word. Talking face to face, he would have had no trouble. He never was at a loss for something to say, and, it seemed to those associated with him in the sales rooms, he always said the right thing. But in talking by letter—well, that is different.

"We regret! We regret? What is it that we regret?" he asked himself. An idea occurred to Dealtry; he pondered it, and smiled as he remembered his conservative decision of a moment before. With a quick movement he picked up the speaking tube, and continued:

—"both our stupidity in failing to get the measurements correct in the first place *comma* and our carelessness in delaying this shipment *period new paragraph* For *comma* as a matter of simple fact *comma* Mrs *period* Reece *comma* this second mattress has been finished and waiting here for shipment since September twentieth *period* We rushed work on it *comma* and it is only the—"

Instinctively Dealtry felt a presence. He swung around to find Mr. Hibben towering over him. The head of the firm smiled a reassuring smile, but waved an officious hand.

"Go on, go on. Don't stop until you come to a full stop. That's my motto."

Dealtry blushed. His ears were ringing, and his hand was not quite steady as he held the mouthpiece. "What was he dictating? He tried to think, but it was impossible to recall the sentence. The thing was gone from him. He put down the speaking tube in obvious embarrassment.

"Don't mind me," said the head of the firm. "Keep on till you come to a full stop."

"But, I've already stopped, Mr. Hibben, and now I've forgotten what I was saying."

"Then listen back," commanded Mr. Hibben. "Never stop in the midst of a sentence. That's my rule, and I never vary from it."

Dealtry manipulated his machine back to the starting point, held the mouthpiece to his ear and listened to the miracle of his own words repeated by the mechanism. He heard it through, repeating to himself as he switched off the power: "We rushed work on it *comma* and it is only the—it is only the—"

He floundered helplessly, without the glimmer of an idea, without the slightest mental registering except the consciousness of the overhearing presence. He repeated it again, mumbling, "We rushed work on it, *comma* and it is only the—the—only the—"

Mr. Hibben looked at his employee in righteous amazement. "What on earth are you trying to do, young man?" he inquired. "Practicing your vowels?"

"I can't finish dictating just now, Mr. Hibben. I seem to be awfully self-conscious. Letter-writing never did come easy with me."

Mr. Hibben apparently made a quick decision not to press his unvarying rule too far.

"I only wanted to ask you to step into my office after lunch," said the head of the firm in a soothing voice. "Bring your carbons of today's letters, and drop in to see me at, say, two o'clock." Smiling, he walked away.

A few minutes later Arthur Dealtry was again immersed in the intricacies of correspondence, and by 10 o'clock was through. By noon the typist had translated his dictation to paper, and a neat little pile of six letters, with their carbons, awaited his signature on his desk.

FOR his lunch that noon Dealtry went to the London Fog, a tiny eating place over a stationer's, where the service was perhaps casual, the food plain but excellent, and the environment quiet and restful and conducive to thought. This latter virtue was most important of all to Dealtry that day, for as he climbed the narrow stairs to the little restaurant he carried in his pocket the sheaf of carbon copies of his day's correspondence. He wanted to study them. If Mr. Hibben wished him to bring the carbons, it was obvious that they were to be the subject of the conference; and if that were the case Dealtry proposed to be thoroughly acquainted with his own letters. After ordering his meal, he got them out and began to read them



"Most of our letters are wheezy and hamstrung and paralytic. Look at this letter I've just read. When the customer gets through with all your 'trusting' and 'regretting' and 'awaiting,' do you suppose she thinks of us as a live business that is on its toes to serve her?"

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over. There was not a one that would excite the slightest comment or question, except perhaps the letter to Mrs. Reece. The others were in the usual stereotyped phraseology—a string of "yours of the inst.," "in reply we would state," "same will go forward," "trusting same will be satisfactory," and so on. But Mrs. Reece was getting a different kind of letter. That was noticeable at a glance. True, the letter began orthodoxically; but it soon became personal, and human, and intimate. Dealtry read the carbon over again for the fifth time:

December 18

Mrs. John Reece,
Box 10,
Piermont, N. Y.

Dear Madam:

We are in receipt of your valued letter of the 15th inst., and in reply would beg to state that your mattress has been made, and is being shipped to you today. We regret both our stupidity in failing to get the measurements correct in the first place, and our carelessness in delaying this shipment.

For, as a matter of simple fact, Mrs. Reece, this second mattress has been finished and waiting here since September 20th. We rushed work on it, and it is only the jinx that has pursued this order from the beginning that prevented our shipping department from sending it to you promptly. That sounds superstitious, and in this particular connection I'm afraid I am superstitious. No other explanation will account for the chain of mishaps which have attended this order.

But just as lightning can't strike twice in the same place—not because the law of averages works against it, but because the Lord won't afflict above what we are able to bear—so I am confident that there will be no more mistakes to mar our service to you as a customer. It can't happen again, and it won't happen again. We simply cannot afford to have another mishap interfere with our sincere determination to give you not only good goods, but the sort of service that goes with them. And I hope you will put us to the test right soon.

Very truly yours,
ARTHUR DEALTRY,
Salesman, Hibben & Co.

AD/ir

Yes, Dealtry decided, if the "old man" raised a row, it would be over this letter. Mr. Bing, of Blum & Bing, retailers of furniture on the easy payment plan, who had been Dealtry's employers prior to his coming with Hibben & Company, had a phrase to describe anything that he looked upon with suspicion. It was "full of dynamite." Dealtry thought of that now, as he regarded his letter to Mr. Reece. Probably it was full of dynamite; but his immediate task was to prove that it was not. Whereupon he set to work to analyze his creation and think up reasons to justify it—to justify its every detail; to prove that it was the right thing to say under the circumstances, that it was not "full of dynamite."

When Arthur Dealtry left the restaurant forty minutes after he entered it, he had resolved many things. He had justified to himself that letter to Mrs. Reece. He was prepared to defend every sentence of it, every twist of thought and turn of phrase. He was fortified. He was quite ready for the conference.

"*I ASKED* you in here because I wanted to talk over our correspondence problems," said Mr. Hibben judicially, when Dealtry appeared at *two* o'clock. But he smiled when he said it; and the fact that he said "*our* correspondence problems," instead of the more accusing "*your* correspondence problems," was further reassuring, and gave Dealtry added courage as he laid the six carbons on the desk.

Mr. Hibben picked up the yellow typewritten sheets and glanced through them hastily. Then he read them leisurely, one by one.

"What is your own candid opinion of these letters, Mr. Dealtry?" he asked, by way of an intimate beginning.

"Why," answered their author, "I think they serve their purpose."

"What is their purpose?"

"To answer inquiries and complaints. All of my letters, Mr. Hibben, are simply replies to customers. They write in to know what has happened to their orders, or to complain that shipments are late, that our deliveryman is impertinent, or that something else is wrong. Occasionally I get a letter asking a favor. One came the other day from a woman up in Westchester county; we were doing over an old chair for her, and she wrote to ask if we wouldn't be so kind as to send our truck by an auction shop and pick up a pair of andirons she had bought at a sale."

"And what did you do?" inquired Mr. Hibben, laughing.

"Oh, we picked them up for her, and delivered the andirons with the chair about twenty-five miles up-state. It was good business in this case, and I knew it."

"You're a born salesman, all right," chuckled the head of the firm.

"But not a letter-writer," interposed Dealtry, glad of the chance to slam his pet aversion.

"Why make a distinction?" returned Mr. Hibben austerely. "It's my notion that a good salesman ought to be a good letter-writer."

"Oh, my dear sir!" exclaimed Dealtry, forgetting himself in his fervor. "How can you say that? What could be more different than the free and easy manner of the salesman and the formality of the pen-in-hand fellow? They're as unlike as mahogany and bird's-eye maple."

"I don't grant that," retorted Mr. Hibben, a bit impatiently. "But—" he glanced at the letter carbons on his desk. He picked up one of them, adjusted his glasses, and read aloud:

"Your esteemed favor of the 15th inst. to hand, and in reply would state that on account of inclement weather our deliveries were held up last week. Same are now being completed, and your purchases should reach you safely Friday, the day scheduled for deliveries in your zone. Trusting that this unavoidable delay has not too greatly inconvenienced you, and regretting it, and awaiting your further favors, we remain—"

"That's formal enough," commented Mr. Hibben. "It's polite."

"But it's a bore to have to write them, Mr. Hibben—that's my point," urged Dealtry. "It's like making me keep books, or requiring me to hustle on a truck and deliver the goods after I've sold them. Selling is my strong line, and I want to be allowed to specialize on it."

"Besides," went on the born salesman fervently, "besides, it deadens a man's initiative to be burdened with routine. It takes the edge off his specialty, sir."

"Dealtry," said the head of the firm, unlacing his fingers and sitting up straight, "if I didn't know you as I do, I'd call you a hot-air artist. If I hadn't watched you closely for five months, I'd say you were suffering from a swelled head."

DEALTRY squirmed, but his eyes never left those of his employer and critic.

"But I know you better than that, young man," went on Mr. Hibbens, "and so I don't mind telling you that there is going to be a big place in this business for you—if you show the talent I think you have. In fact, I'm going to offer you one of the most important positions in our organization. It will call into play all your sales ability, all your knowledge of our goods and our trade, all your personality." Mr. Hibben paused for this to sink in. "It's a new job," he added, "so you won't be hampered by precedents."

The announcement fairly swamped the young man. It was so unexpected; he was so unprepared for it. At first he thought the Old Man was going to promote him to the managership of his floor. Then he had visions of being made sales manager. But at Mr. Hibben's mention that it was a new job, all surmises were thrown into confusion. Perhaps he is going to make me his right-hand man, Dealtry thought. Assistant to the president!—the title sounded magnificent. One guess was as good as another as he waited in suppressed excitement for his employer to proceed.

"I'm going to make you supervisor

Continued on page 28

Making Partners of Patrons

A San Francisco Jewelry Store Pays a Monthly Dividend to its Customers by Refunding Half the Saving in Overhead

By J. F. HAIGHT

HE WAS TO BE MARRIED the next day, so he needed a wedding ring. The price was $15, with a war tax of 75 cents. He took the amount out of his wallet and was about to hand it over when the salesman stopped him. "Let me see," said the salesman, "didn't I sell you a diamond last month?"

"You sure did," was the reply, "and the girl was immensely pleased. I think I got a dandy stone for my $350."

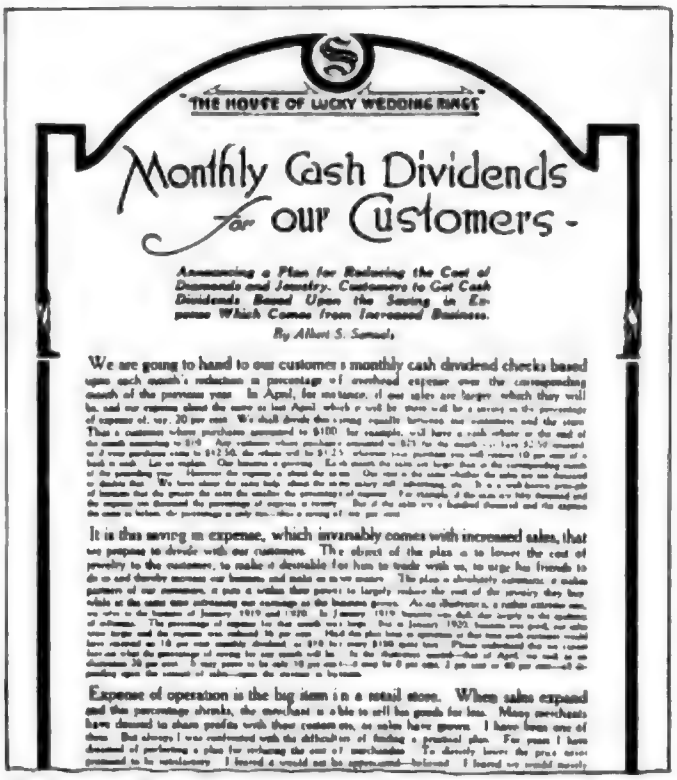
"Well, you have a cash dividend coming," announced the salesman. "Just step to the cashier's window, present your April sales check and you'll find that she has a check made out and ready for you. It will just about pay for this wedding ring," he added, after a little rapid figuring. "Yes, it comes to $18.37, which will leave you $2.62 change after paying for the ring."

The customer was astonished. He had bought his engagement ring of the Albert S. Samuels Company after some deliberation and a comparison of quality and prices. He felt satisfied with his purchase and believed that the $350 he had paid, along with the tax of $17.50, was well and thriftily invested. He didn't believe there was a store that could have done any better by him, yet here they were deliberately handing him back $18.37 in cold cash, a month after his purchase. It was certainly something new under the sun.

True, he remembered receiving a little folder that advised him to save his sales slip. The folder said something, too, about customer's dividends. But like most men he disliked to be handed things after a purchase and had promptly tossed the folder into the street. He had prudently kept his sales slip, however, because when a man buys a diamond he never knows what may turn up in a few days and it is always well to preserve the proof of the price paid. So he missed the details of the "Customer's Dividends" plan.

But believe me, he learned about it now, and the little sales slip for the wedding ring purchase was carefully folded up and put away, so that when the fifteenth of June arrived he might claim his five or ten or possibly fifteen per cent refund on the $15.75.

Now this is an absolutely true story, just as Harry Van Allen, the salesman, told it to me. Let us go farther and imagine a conversation in which the salesman explains the details of the plan as it affects the purchaser of jewelry.



THE HOUSE OF LUCKY WEDDING RINGS

Monthly Cash Dividends for our Customers -

Announcing a Plan for Reducing the Cost of Diamonds and Jewelry. Customers to Get Cash Dividends Based Upon the Saving in Expense Which Comes from Increased Business.

By Albert S. Samuels

We are going to hand to our customers monthly cash dividend checks based upon each month's reduction in percentage of overhead expense over the corresponding month of the previous year. In April, for instance, if our sales are larger which they will be, and our expense about the same as last April which it will be since it is a saving in the percentage of expense of, say, 20 per cent. We shall divide this saving equally between our customers and the store. Thus a customer whose purchases amounted to $100 for example, will have a cash rebate at the end of the month amounting to $10. Any customer whose purchases amounted to $25 for the month . . . have $2.50 returned, or if your purchases come to $12.50, the rebate will be $1.25. whatever your purchases you will receive 10 per cent of it back in cash. Let us explain. Our business is growing. Let us assume the sales are larger than in the corresponding month of the preceding year. However the expense is about the same. One year is the same whether the sales are one thousand or double that. We have about the same help, about the same salary and advertising, etc. It is a well known principle of business that the greater the sales the percentage is of expense. For example, if the sales are little thousand and the expenses are thousand the percentage of expense is twenty. But if the sales are a hundred thousand and the expense the same as before, the percentage is only ten—a saving of ten per cent.

It is this saving in expense, which invariably comes with increased sales, that we propose to divide with our customers. The object of the plan is to lower the cost of jewelry to the customer, to make it desirable for him to trade with us, to urge his friends to do so and thereby increase our business, and make us his partners. The plan is absolutely automatic, it makes partners of our customers, it puts it within their power to largely reduce the cost of the jewelry they buy while at the same time increasing our earnings as the business grows. As an illustration, a rather extreme one, we refer to the business of January 1919 and 1920. In January 1919 business was dull, due largely to the conditions. The percentage of expenses for that month was large. But in January 1920 business was good, our sales were large and the expenses were reduced to per cent. Had the plan been in operation at that time each customer would have received on $10 per cent monthly dividend, or $10 for every $100 spent here. Please understand that we expect here to keep the percentage of saving for any month will be. In the illustration assumed—that of April, we took as an illustration 20 per cent. It may prove to be only 10 per cent—it may be 5 per cent, 2 per cent or 40 per cent—all depending upon the amount of sales—upon the increase in business.

Expense of operation is the big item in a retail store. When sales expand and this percentage shrinks, the merchant is able to sell his goods for less. Many merchants have claimed to share profits with their customers, as sales have grown. I have been one of them. But always I was confronted with the difficulties of finding a practical plan. For years I have dreamed of perfecting a plan for reducing the cost of merchandise. To directly lower the price seemed to be revolutionary. I feared it would not be appreciated—believed. I feared we would merely

"We computed the probable increase in sales and the probable reduction in overhead and were satisfied that we could make money. So we said, 'Let 'er go.' . . . We prepared the announcement for the papers"

"YOU see," says the salesman, "our business for April was 63 per cent larger than it was last April, thanks to you and our other April customers, and as a consequence the overhead expense of the store figured 10 per cent less than it would have figured had the sales been no larger than they were in April, 1919. So we are dividing the amount saved with our customers, each one receiving a refund amounting to five per cent of whatever sum he spent with us in April. When May is finished we will make a similar comparison with May of last year and whatever saving has been made in the percentage of overhead will be divided with our customers. If the saving is larger in May, on account of a still greater increase in business, the dividend will be correspondingly larger.

"Our idea is to give people a definite, selfish reason for buying jewelry of us and encouraging others to do the same. This cannot fail to result in a larger sales volume, a lower percentage of expense and greater refunds to the customer, which resolves itself finally into a lowered cost of the jewelry he buys. Since we keep half of the amount saved in expense, we also profit by the customer's successful effort to increase our business. It means greater profits for us and this, of course, is the chief aim of the scheme.

"The economics of the plan is based on the relation between increased sales and lowered overhead. It costs us very little more to sell $50,000 worth of jewelry in a month than it does to sell $20,000. Expense of operation is the big item in the price you pay for jewelry, or anything else, bought at retail—after the wholesale cost of the goods, of course. It isn't the merchant's net profit that makes merchandise expensive, but the cost of running a store. The beauty of this scheme is the fact that it accomplishes a partnership between customer and merchant, giving each an incentive for increasing sales, and a financial reward for so doing."

The plan came about in a most natural and simple way. Albert S. Samuels, proprietor of the jewelry store, had often argued with himself the wisdom of reducing his mark-up. He kept asking himself if a general reduction in the price of jewelry would result in a sufficiently increased volume of business to make up in net earnings the loss from a smaller margin of profit. Usually he answered this question in the negative, saying, "It is doubtful if the people would believe or appreciate any reduction. Stores by the score have claimed to be able to sell for less by virtue of unusual buying capacity or great volume of business or something of the sort, but people generally take little stock in these claims. Before I

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reduce my margins I must discover some way to make them believe that I am doing what I claim."

Then the inspiration came. How should he convince them? Why, that's easy! Simply give them back part of their money when they're not expecting it. Make the sale and then hand back part of the price after they have paid. At this point the advertising manager and the accountant were called in and the plan rapidly developed in detail. One point after another was suggested, debated, modified, cast aside or adopted.

The accountant came forward with figures. Never was the benefit of an up-to-the-minute accounting department better demonstrated. This accounting department of ours can supply you on three minutes' notice with a thousand facts about this business. It can tell you that in June or September or any other month of this year or last that we sold 28 or 31 per cent of all wedding rings sold in San Francisco, or it can tell you the rate of turnover of any one of the nine departments, its cost of operation and its net profit.

So the accounting department came forward with a sheet of statistics for the preceding fourteen months. Sales for each month, cost of goods sold, expense of operation, percentage of cost of operation to sales, net profit and percentage of net profit to sales—all these were shown for each month.

Our scrutiny of the figures disclosed first of all, and with compelling force, the necessity of a volume business. It showed that, operating on very little greater gross expense, we had, in a month of large sales, reduced the percentage of overhead from 74 per cent to 13½ per cent and that we had thereby turned a loss of 28 per cent of sales for the bad month into a net profit of 38 per cent of sales in the good month. We also noted that the aforementioned 38 per cent was, in fact, ten times as much in dollars and cents as the sum represented by the loss. This may be sufficiently interesting to put into figures (see Figure 1). These are fictitious figures, but their relationship to one another is exactly that of the actual figures; the percentage is precisely the same. This table has no reference to the refund plan; it serves merely as an example of the problems confronted in working it out.

Month	Sales	Cost of Goods	Expense	Percentage of Expense	Net Profit	Net Loss	Percentage of Net Profit or Loss
Jan. 1919	26450	14356	19648	74		7554	28% Loss
Dec. 1919	212400	102972	28968	13½	80460		38% Profit

Figure 1. This table shows how increase in sales lowers the percentage of expense. The amounts are fictitious, but the percentages are actual. The figures represent the first step in working out the dividend plan.

Month	Sales	Cost of Goods	Expense	Per cent of Expense to Sales	Net Profit or Loss before Refund	Per cent of Profit or Loss	Reduction in Expense	Refund Due Customers	Final Net Profit or Loss after Refund
Jan. 1919	26450	14356	19648	74	7554 Loss	28% Loss			
Jan. 1920	52146	27153	19819	38	5173 Profit	10% Profit	36%	18% 9396	4223 Loss 8%

Figure 2, disclosing the first hitch in the plan. The overhead for January, 1920, was 36 per cent less than for January, 1919, but because January, 1919, was an exceptionally poor month, a fifty-fifty division of the saving would have turned a 10 per cent profit for January, 1920, into an 8 per cent loss.

Month	Sales	Cost of Goods	Expense	Per cent of Expense to Sales	Net Profit or Loss before Refund	Per cent of Profit or Loss	Reduction in Expense	Refund Due Customers	Final Net Profit or Loss after Refund
Apr. 1919	41181	21180	18558	45	1440 Profit	3% Profit			
Apr. 1920	64029	29825	21840	35	12564 Profit	19% Profit	10%	3201 5%	9363 Profit 14%
May 1919	51114	24675	18192	36	8244 Profit	16% Profit			
May 1920	81537	38508	24612	30	18411 Profit	22% Profit	6%	2246 3%	15985 Profit 19%

Figure 3, summarizing the essential facts disclosed by two months' operation of the dividend plan. The amounts are fictitious, the percentages actual.

THEN began some interesting experiments. We took January, 1919, and compared it with January, 1920, and discovered that the increase in business for the latter month was pretty nearly 100 per cent. We noted that the percentage of cost of operation was thereby reduced 36 per cent. We used this as a hypothetical case and discovered that if we were to give back half this saving to our customers we would turn the month's business from a 10 per cent net profit into an 8 per cent net loss.

This was disconcerting, but the explanation and a soothing balm were soon discovered. January, 1919, was a bad month. Sales were small, due to the prevalence of influenza, and the closing of all public gatherings. We operated that month at a loss. Percentage of cost of operation was abnormally high. January, 1920, was a good month, overhead figured much lower and the month produced a profit of 10 per cent. But giving back to the people 18 per cent of our sales would have given away more than the 10 per cent profit and would have turned a winning month into a loser. The accompanying table (see Figure 2) shows how it worked out and the reader will see the impracticability of the plan when based on a month that was a loser. The figures again are fictitious, the percentages actual.

February and March of 1919 were little better, while October was the only other month of the year that did not show a fair profit. Fortunately we did not begin working on the plan until too late to put it into operation before April, and April of 1919 was a fair month. So the only bad month we had to fear was October, when a shipbuilders' strike, in which 50,000 or more men were thrown out of employment, coupled with the loss of business occasioned by tearing out our store front in favor of a new one, brought about a net loss for the month. All we could do for the month of October was to plan to take our medicine and hand back the refunds. We computed the probable increase in sales for the other months and the probable reduction in overhead and were satisfied that we could make money. So we said, "Let' er go."

We prepared the announcement for the papers. Proofs were submitted to our certified auditors, to our banker, and then to Professor Hatfield, head of the school of accounting, and a noted economist, at the university of California. We asked them if there was a joker anywhere; if there was any chance for a wrench finding its way into the cogs. They could find none. They approved of it; said it looked like a logical plan to make partners out of our customers and salesmen out of our partners. So we shot the ad.

In the meantime the accounting department had worked out the details for handling the refund system. As finally completed it looks very simple, but the truth is we were amazed at the multitude of small points that had to be worked out.

A book of forms was printed, a sample of which is here reproduced. On this sheet the sales are entered in detail each day. The tape is taken

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daily from our cash register and pasted on the left of the sheet. Entries are made under columns, "Collections" "Tax," "Net Cash Sale," and "Net Charge Sale" and the record is thus far complete for every transaction almost as soon as it occurs. At the end of the month the accounting department makes up a statement of the business which includes the gross sales, cost of goods, expense, net profit and the like. We then determine the percentage of reduction in expense and the remainder of the entries are made, showing the sum to be returned to the customer on each individual sale.

A special account has been opened at the bank and the gross amount of the month's refunds is deposited. The refund is paid by a special check which tells the customer why he is getting it. The check is prepared and signed in advance of his call. His name is filled in when he presents his sales slip and his check is identified by a comparison of the cash register transaction number with the number on the sales slip; these numbers always correspond. If the amount is less than $1.00 the customer gets it in cash. If the purchase represents a charge the refund is entered on his ledger page as a credit and appears on his statement.

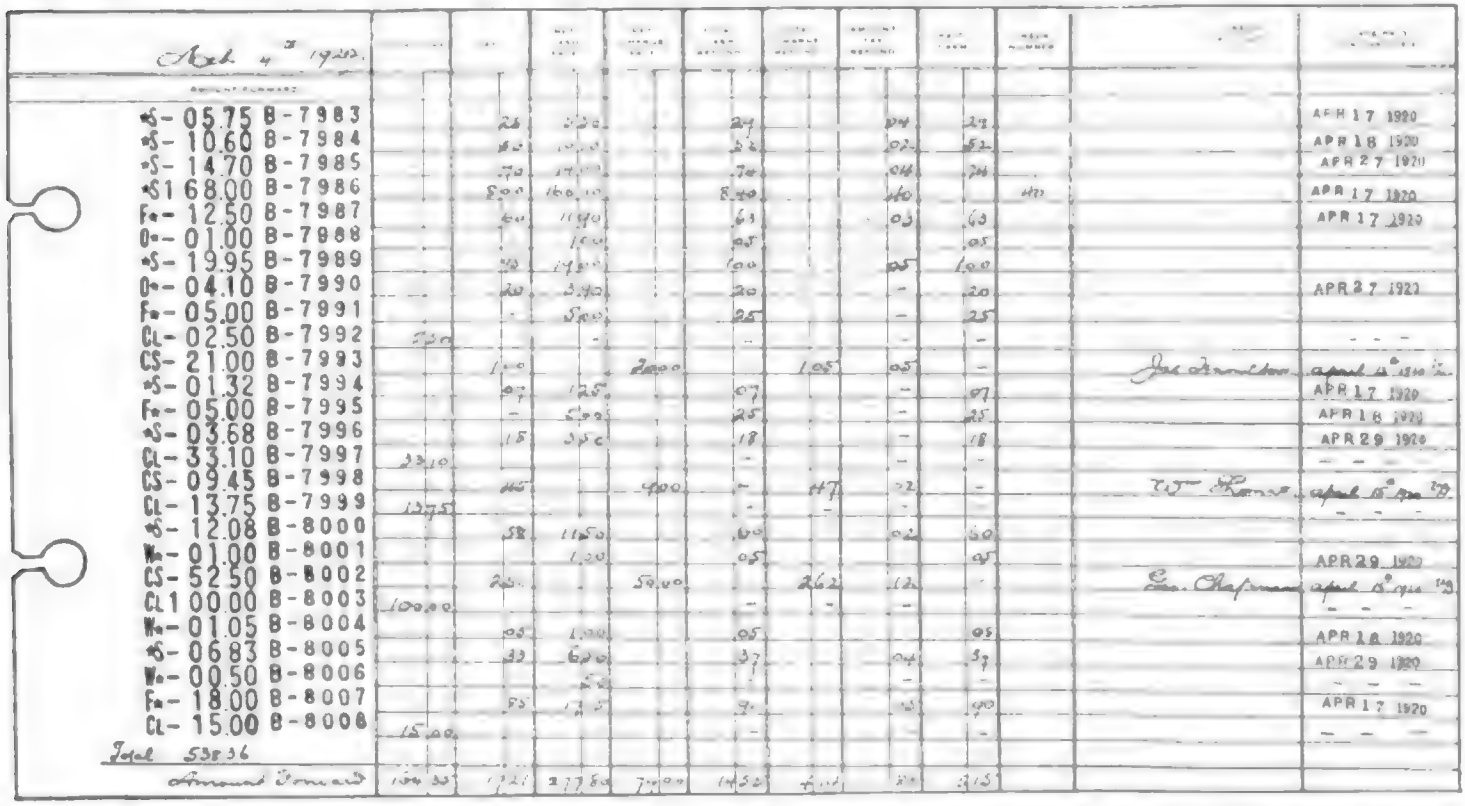
On May 16 our advertisement in all the papers announced that an April dividend of 5 per cent was ready. We called them dividends instead of refunds because people like the sound of the word "dividend," especially when it is a monthly dividend. The response was immediate. People presented their sales slips and took their refunds. There was no great rush and no extra help was required. Many sales slips came by mail; this was one of the most interesting developments of the plan, for it showed us where many of our cash, across-the-counter customers came from. We found that we were selling lots of jewelry to people who lived many miles away. The people in the smaller places of California evidently like to trade in San Francisco.

OUR April business showed a gain of 63 per cent as compared with that for April, 1919. We do not attribute this in any measure to the inducement of the refund plan. The real effect begins when a customer receives his first refund. The reduction in overhead for April was 10 per cent, as stated. We are giving back to the customer 5 per cent of our total sales, yet the net earnings for the month were 14 per cent as compared with 3 per cent for April of the preceding year.

As we expected, not all of the refunds have been claimed. Small amounts, and refunds due to transient visitors, will accrue to our benefit. A small percentage, too, of home folks, who have refunds coming, will not see our announcements or will not be sufficiently interested to call for their refunds. We have felt that we should not spend much money in advertising the plan itself, since that would increase the overhead; furthermore the plan should carry itself and produce a cumulative effect. Having received one refund, the customer is "sold" on the idea and spreads the news.

The figures for the second month show an increase of 60 per cent in sales, and a reduction of 6 per cent in overhead—rather smaller than we had hoped. This is due to the fact that May, 1919, was a pretty good month, with a fairly low overhead, and also to the fact that gross expense for May, 1920, was more than usual. Still there was a saving. The conspicuous item in the May report is the increased net earnings.

The accompanying table (see Figure 3) covers the facts for the first two months of the operation of the plan, showing actually how it affects the bank account. The effect upon business, and the reaction produced upon our trade is something that cannot be decided at the end of two months. We have as yet no reason to believe that it will operate in any way other than the one anticipated—to attract favorable attention, to influence old customers to continue and to cause them to speak well of us to others, thereby attracting new trade.



On this sheet the sales are entered in detail each day. At the end of the month the accounting department makes up a statement of the business, which includes gross sales, cost of goods, expense, net profit and the like.

The accounting department then determines the percentage of reduction in expense and the remainder of the entries are made, showing the sum to be returned to the customer on each sale.

"Fine Work!" Says the Boss

A Weekly Report of His Sales, With a Personal Note From His Employer, Keeps the Man Behind the Counter "On His Toes"

By J. K. NOVINS

JUST FOUR YEARS ago Matthew H. Olthouse held down a $16-a-week job as a soda dispenser. Three years ago he organized the Gem Fountain Corporation with a capital of $3000, $500 of which was his own money. The Gem Fountain Corporation now operates ten soda fountain and sandwich stores in New York City. Three more stores will soon be opened for business. Basing his estimate on the steady increase in sales, Mr. Olthouse figures that the million-dollar mark will be reached by the end of 1920.

Mr. Olthouse believes that, were he engaged in any other branch of retailing, such as dry goods, groceries or hardware, he could have accomplished the same results. He attributes his unusual success to the fact that in dealing with his employes he has made the most of the human factor.

Recently a dealer called at the office of the Gem Fountain Corporation to confer with Mr. Olthouse on a matter of business. He waited about half an hour, and was then admitted to Mr. Olthouse's office.

"You must pardon me for keeping you waiting," Mr. Olthouse apologized. "You see, this is Wednesday, and Wednesday is the day I send out statements to my employes and write them personal notes. To delay sending these out would be almost a calamity; every one of my employes would be keenly disappointed."

The retailer looked at Mr. Olthouse in amazement. The idea of the vice-president and general manager of a large corporation spending his valuable time writing notes to soda dispensers and waitresses! But after a brief conversation with Mr. Olthouse, and a visit to several of the stores composing the Gem Fountain Corporation chain, the retailer was convinced that from its effect on sales the idea was a mighty fine one.

During the year 1917-1918—the Gem Fountain Corporation's first year—sales at the ten stores totaled $206,306.24. The total the following year was $456,000, more than twice the first year's sales. This year's sales have been increasing in the same proportion.

The Gem Fountain Corporation employs fifty soda dispensers and twenty-five waitresses. They comprise its selling force. Just as in other chains, each store is in charge of a manager, and this manager is responsible for the quality of the service rendered by employes in that store.

Mr. Olthouse figured, however, that he could accomplish far better results by supplementing the store manager's efforts with his own.

"Of course, it is a mighty good thing for the employes to know that their immediate superiors are constantly watching their progress in sales," Mr. Olthouse said, "but I believed that far better results could be obtained by making the men and women employed in our organization realize that their efforts are watched at all times by some one at the head of the corporation."

Mr. Olthouse had heard of a large retailing concern that had been successful in building up a strong selling force by means of a weekly report system, a system whereby each salesman or saleswoman in the organization received a complete statement of his or her sales at the end of each week.

The idea appealed to Mr. Olthouse, but he thought it could be improved upon. Issuing a daily or weekly statement of sales to each employe has merit, but he decided that such a statement must be too "cold." Too often it lacks the human touch necessary to spur the salespeople to greater efforts.

A soda dispenser or a waitress, receiving such a statement the end of the week, might say:

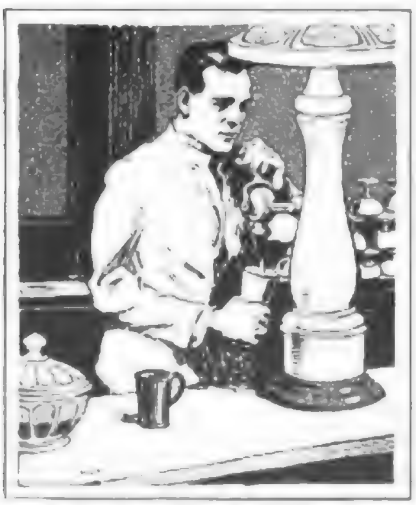
"Oh, well, this report must have been prepared by some bookkeeper at the main office, and ten to one the 'big chief' who raises our wages

Gem Fountain Corp. CHECK & CASH REPORT

Store: Beaver Day: Thursday Date: May 20, 1920.
Store Report: $537.05 Report by: Klotzens
Checker's Report: $536.90 Checked by: IBK
Cash. Short: $1.85 Total: $537.05

Name	Check No.	Start	Finish	Check	Count	Amount
Dunmary	40	1022	1100	80	80	$2650
Worth	4	1651	1847	196	195	4890
Cavanaugh	6	2694	2798	85	85	2610
Rottendorf	7	1690	2211	323	322	7105
Underwood	8	732	801	69	68	2350
Jaeger	9	513	582	69	69	2165
Hartling	11	2825	2958	133	132	3805
Curci	12	309	675	373	373	8014
Ginty	13	1672	1876	204	203	4445
MacCrea	24	2808	2910	203	201	4695
Buckley	15	872	1150	278	208	5530
Fitzgerald	16	447	590	143	143	4295
Fitzgerald	6	15	87	72	72	2025
				2243	2243	53990

To the Manager—Make one Original and one Copy. Give both to the Collector. Fill in only the spaces marked with star. Do not write in any of the other spaces.





The daily check and cash report. Each dispenser's name is followed by his identification check number; the serial number of his first check for the day; the number of the last check; the number of checks disposed of, as indicated by the difference between the first and last serial numbers; the number of checks disclosed by actual count at the close of the day, and the amount of his sales

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never bothered looking it over, and he doesn't care a fig if my sales have been increasing right along or not."

So the system finally adopted by Mr. Olthouse was as follows: Each store manager has standing instructions to prepare daily statements showing the total sales of each of his employes. Each statement, or report, gives the name of the store, the date, the total sales for the day, the names of all soda dispensers and waitresses employed at that particular store, and beside each name the number of checks disposed of and the total sales by each person.

These reports are collected daily and checked up at the main office. The report sheets are simple affairs. Each is 8½ by 5½ inches. Let us take a report of the total sales at the Beaver Street store for May 20, 1920.

At this store thirteen dispensers and waitresses are employed. The store manager's report for the day shows a total of $537.05. The thirteen employes disposed of 2232 checks during the day. That is, they served 2232 customers; when the figures were checked up, the totals were corrected to $538.90 and 2243 checks.

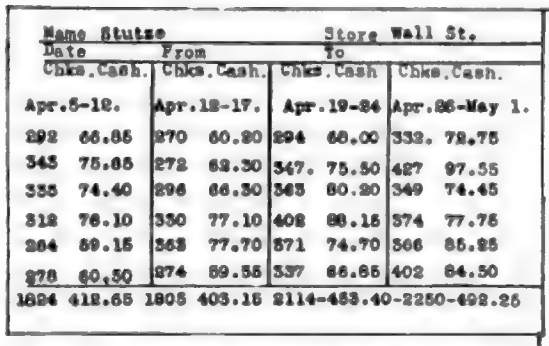
The report also records individual sales records for the day. Mr. Demmary disposed of a total of 88 checks and netted $26.50 in sales. Mr. Curci topped the list with 373 checks and $80.15 in sales, and so on down the list.

The individual figures are then recorded on special cards, filed under the names of the employes. On each card is recorded the sales by one dispenser or waitress day by day for one month. The card is ruled into columns, each column containing a record of the number of checks and the total daily sales during one week. Each column is totaled, both for checks and for sales.

Mr. Olthouse can go through these cards and quickly learn the total sales credited to Mr. Demmary or any other employe on May 20, 1920, or on any other day during the same month.

These cards are kept by Miss A. E. Reynolds, the general manager's secretary. At the end of each week she prepares weekly reports of sales as credited to each employe. On each slip she records the sales for the week by each dispenser or waitress, day by day, copying the figures from the cards.

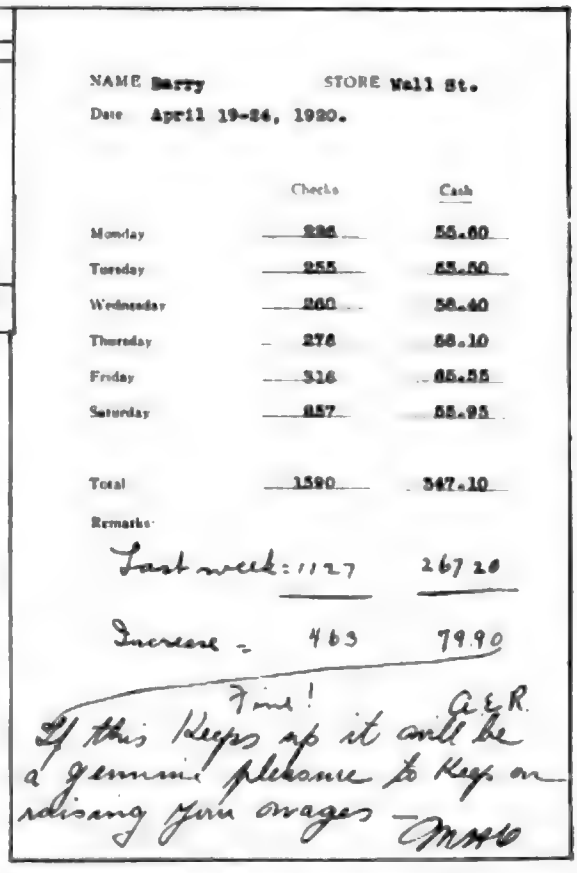
Every Wednesday Mr. Demmary, for example, receives a report of his sales the previous week. But the statement contains something more



Name Stutze — Store Wall St.

Date From				To			
Chks.	Cash.	Chks.	Cash.	Chks.	Cash	Chks.	Cash.
Apr. 5-10.		Apr. 12-17.		Apr. 19-24		Apr. 26-May 1.	
292	66.85	270	60.20	294	68.00	332.	78.75
345	75.85	272	62.30	347.	75.50	427	97.55
335	74.40	296	66.30	363	80.20	349	74.45
312	76.10	350	77.10	402	88.15	374	77.75
264	59.15	363	77.70	371	74.70	366	85.25
276	60.50	374	69.55	337	66.85	402	84.50
1824	412.65	1805	403.15	2114-463.40		2250-492.25	

Above, the dispenser's individual sales card. On this ruled card the general manager's secretary records the sales by one dispenser or waitress day by day for one month. Each column represents a week's sales and is totaled for both checks and cash. The figures on these cards are copied to the weekly reports to the employes, one of which is shown at the right. Below the printed figures the secretary pens a notation, comparing the employe's current record with that of the week before, and at the bottom of the report Mr. Olthouse adds his personal comment



NAME Barry STORE Wall St.

Date April 19-24, 1920.

	Checks	Cash
Monday	286	56.60
Tuesday	255	45.50
Wednesday	260	56.40
Thursday	276	58.10
Friday	316	65.55
Saturday	357	65.95
Total	1590	347.10

Remarks:

Last week: 1127 — 267 20

Increase — 463 — 79.90

Fine! G & R.

If this keeps up it will be a genuine pleasure to keep on raising your wages — M H O

than mere cut and dried figures. On the bottom of the slip is a notation by Miss Reynolds, informing Mr. Demmary whether his sales the previous week increased or fell off. Farther down on the slip is another notation, a sentence or two written and signed by Mr. Olthouse, commenting on Demmary's record.

That is where the personal touch comes in. It is this brief notation by the general manager of the Gem Fountain Corporation that makes the weekly sales report so effective. When an employe is making a brave effort to increase his sales Mr. Olthouse is quick to notice it, and he is just as quick to express his appreciation of the employe's good work.

During the week of April 19-24, 1920, Mr. Stutze, employed at the Wall Street store, totaled $453.40 in sales. He also disposed of 2114 checks; that is, he served 2114 customers during the week. The report which Mr. Stutze received on the Wednesday following April 24 showed the following:

	Checks	Cash
Monday	294	$ 68.00
Tuesday	347	75.50
Wednesday	363	80.20
Thursday	402	88.15
Friday	371	74.70
Saturday	337	66.85
Total	2114	$453.40

Before bringing this report to the attention of Mr. Olthouse, Miss Reynolds consults the record card filed under Mr. Stutze's name. She finds that during the week of April 12-17, Stutze totaled 1805 checks and $403.15 in sales. The number of checks, therefore, has increased by 309, and the sales by $50.25. A brief notation by Miss Reynolds points out this increase.

The general manager's notation on the report to Mr. Stutze is as follows:

"If I am not mistaken you received a raise only a while ago. If this keeps up, you will soon have another. Thank you for your endeavor.

M. H. O."

Let us consider several other such reports, picked at random:

During the week of May 17-22, Mr. Schmidt, employed at the Liberty Street store, totaled 994 checks and $223.30 sales.

"Sixty-five checks more than last week," is the notation by Miss Reynolds.

To which Mr. Olthouse adds:

"Was this due to the increase you received last week? If so, keep it up. I like to be kept busy raising wages."

Mr. Kottendorf of the Beaver Street store did some hustling during the week of May 10-15. He served 1888 customers, as shown by the number of checks to his credit, and his sales totaled $382.95. On Mr. Kottendorf's weekly report the general manager wrote:

"I remember your brother. Used to be a very good and quick dispenser, but according to this statement he would have to go some to keep up with you. I can only say that you are doing fine."

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But the following week Kottendorf did not do so well. He served only 1847 customers. On the weekly statement Miss Reynolds wrote: "Not as high as last week," and the general manager added: "But nevertheless very good."

The general manager of the Gem Fountain Corporation dislikes to discourage a good man. A boost at the right time, he says, gives a man new confidence.

A couple of the gingery boosts that Mr. Olthouse specializes in, and the men invariably get on the job with renewed interest and energy. Mr. Barry of the Wall Street store earned the remark, "About as usual," from Miss Reynolds on one weekly statement; Mr. Olthouse philosophically added, "But nevertheless very good." The next week Barry got a "Very fine" from Miss Reynolds and a hearty word of praise from Mr. Olthouse.

Take Miss Tesche, employed as a waitress at the Wall Street store. During the week of May 17-22 she totaled just $96.90.

"Several dollars over last week," commented Miss Reynolds.

"If you can make that an even hundred next week, your salary will go up to ——," added Mr. Olthouse.

The week after she received an increase, Miss Anderson, a waitress at the Wall Street store, showed her appreciation by increasing her sales to $126.15. According to the sympathetic secretary, this was "Higher than last week." Mr. Olthouse added the comment:

"Seems that raise you received last week has been more than earned by you. For your endeavor please allow me to say thank you."

"The weekly statement system has been the greatest single factor responsible for our increased sales," Mr. Olthouse declares. "Our employes feel that they have a share in our business. When I grant an increase in wages my employes know the exact reason for it. On the other hand, when one fails to receive an increase, he or she knows the reason for the failure.

"The results are reflected in the increased sales. I do not require my dispensers to say 'Thank you' to a customer unless they can say it with a full heart. That is why, when you get a 'Thank you' at one of our stores, it is a full-hearted one.

"Most of my employes save these weekly statements. They take them home with them. They are proud of them, and they feel that they always share in our prosperity.

"It takes very little of my time to write these personal notes to my employes. The routine work is done by my secretary, and the time and effort is well spent. We try our utmost to have these statements in the hands of our employes as soon after the week is over as possible. We generally send them out Wednesday. To let more time lapse means a lessening of interest. It is best to strike when the iron is hot."

"And Now I'm Making Money"

The Story of a Worcester, Mass., Grocer Who Never Got Ahead Until a Trip to the Hospital Taught Him the Value of Records

By GEORGE M. KESTER

I HAD BEEN in the grocery business for a great many years without making money. I managed to keep my family well fed and all that; we had all the food we wanted and a few clothes, but the bank account did not seem to grow and my stock of groceries and meats wasn't increasing. I was just like a lot of grocers who feel that they are successful if they manage to escape the sheriff.

There is such a thing as a man getting so close to his business that he can't see what is going on around him. I guess that was what was happening to me. I was blind to the possibilities of my business; my imagination had no chance to work. It looked as if I were going on through life like a lot of others and that on my passing out my estate would consist of nothing but a life insurance policy and a batch of unpaid bills.

Then something happened to me—something that seemed at the time like a great calamity but proved to be the turning point of my career. I was injured in an accident and compelled to spend several months in a hospital. From the hospital cot I got a new viewpoint on my business. During the long, restless hours of convalescence, I thought hard about that little grocery store of mine. I realized then for the first time that I really didn't know a thing about the business. I didn't know how much stock I had on hand; I didn't know what was happening in my absence. All I knew was that I had a measly little bank balance and a lot of unpaid bills.

I made up my mind that just as soon as I could get back to the store, I would get acquainted with my business; that I would make my store popular; that I would get the people in and give them the best return in the neighborhood for their money. That hospital cot gave me the customer's viewpoint as I never had it before, and I have tried ever since to keep this viewpoint. It would be a mighty good thing if every retailer could get away from his business for a while as I did from mine. Of course, I don't wish anybody a trip to the hospital—but the chance to think hard about one's business is worth a lot of money.

I promised myself that when I got back on the job in my store I would take an inventory of my stock in each department every week, and that I would insist that a dollar be deposited in the bank for every dollar's worth of goods taken out of stock. Results were so good that I arranged a schedule and have maintained it ever since. Other retailers may have made up their minds at various times to do the same thing, but it is more than half the battle to get started. This is the weekly schedule I have maintained all these years:

Monday—Clean house. Everything in the store shined and cleaned thoroughly. Myself and employees don clean white uniforms. (I pay for the laundry, but the investment is a good one.)

Tuesday—Meat inventory.

Wednesday—Grocery inventory.

Thursday—Fruit and vegetable inventory.

Friday—Dairy products and eggs inventory.

Saturday—Busy selling all day.

Some retailers think that taking a physical inventory by departments is a difficult job. As a matter of fact it is comparatively simple and takes us not longer than half an hour in the morning when trade is dull. This is the way we keep track of our profits by departments:

Our last week's inventory in the meat

(Continued on page 3

How a City Insured Itself

By A. M. JUNGMANN



A group of houses built by the industries of Kingsport, Tennessee, for their employes

EVERY ONE who has ever been approached by an insurance agent—and almost every one who has not—knows the advantages of insurance. Individual insurance has been expanded until group insurance, whereby all the working men of an organization are insured, is no longer new. But for an entire city to take out group, life, health and accident policies from one insurance company is something entirely new and thoughtful persons will watch the experiment with keen interest. Kingsport, Tennessee, is the enterprising young city of ten thousand inhabitants that has put into effect a plan that insures every one of its working men and women.

Ten years ago two farmhouses were the only buildings on the ground where Kingsport now stands. The old town was about two miles from the present site of the city. In ten years Kingsport has grown to a city of ten thousand souls and is increasing in population steadily. It is exclusively a manufacturing city. Nine firms, all good substantial ones, employ practically the entire adult population. In addition to these nine firms the city itself must be counted as an employer. When the insurance plan was formulated, special legislation was necessary to include the city employes in the blanket insurance.

The situation is this: Kingsport, The Kingsport Hosiery Mill, the Kingsport Extract Corporation; the Kingsport Tannery, Incorporated; The Clinchfield Portland Cement Corporation, the Kingsport Pulp Corporation, the Kingsport Stores, Incorporated; the Kingsport Farms Corporation, the Kingsport Brick Company and the Kingsport Utility Company have all taken out group, life, health and accident policies from one of the large eastern insurance companies. The insurance was put through without even having the persons insured undergo a physical examination.

Kingsport is fortunate in having unusually forward-looking business men. And as in most real progress there is one man who is the leading spirit. In this case the man is J. Fred Johnson, president of the Kingsport Improvement Corporation. Closely associated with him in plans for developing the city are J. H. Thickens, of the Kingsport Pulp Corporation; R. Y. Grant, of the Kingsport Extract Corporation and the Kingsport Tannery, Incorporated, and W. M. Bennett, of the Clinchfield Portland Cement Corporation.

THESE men decided that Kingsport should be as nearly an ideal manufacturing city as human agencies could make it. They realized that living conditions greatly affect the morale of a town, and that general contentment and the elimination of worries go far toward producing the spirit so necessary to the accomplishment of good work. Men who are worried because they have sick children at home, and men and women who cannot make ends meet because they have lost wages through sickness or accident are prone to become discontented and make trouble. Improper housing, insufficient amusement, lack of care in illness, poor food—all these things tend to lower industrial efficiency.

Mr. Johnson and the men working with him saw that Kingsport alone could not provide the means of making itself the city they want it to be. So they decided on the insurance plan, whereby, in reality, they formed a partnership with the life insurance company for the purpose of bringing Kingsport up to their expectations. Each company prepared a statement and issued copies to its employes. This statement sets forth the general plan of the insurance. The circular issued by the Kingsport Tannery, Incorporated, may be taken as an example. It reads:

KINGSPORT TANNERY, INC.
Kingsport, Tenn.

To Our Employes:

We have much satisfaction in making this announcement, that we have arranged with the Metropolitan Life Insurance Company of New York, to insure for life, health and accident insurance each one of our employes who was at work July 1, 1919, the insurance becoming automatically effective from that date. This insurance is furnished free of any cost to you; the entire expense being borne by the Kingsport Tannery, Incorporated.

Each employe will name his or her beneficiary under the life insurance policy and an individual certificate stating the amount of the insurance and name of the beneficiary will be handed to you at an early date.

Life Insurance:

The initial amount of each employe's life insurance will be determined by the length of time he has been continuously in our employ and in accordance with the schedule below:

Less then one year's service	$ 500.00
After one year's service	750.00
After two years' service	1000.00
After three years' service	1250.00
After four years' service	1500.00
After five years' service	1500.00

Whenever your length of service under the foregoing schedule entitles you to an increased amount of insurance, the increase

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will be automatically effected by the Life Insurance Company.

New employes entering our service after July 1, 1919, will become eligible to participate in the advantages of this insurance plan after three months' continuous service.

Health and Accident Insurance:

The Metropolitan Health and Accident contract will cover each employe against total incapacitation from sickness and from accidents that may be sustained outside of your employment.

This does not in any way interfere with the Workmen's Compensation Insurance that has already been provided to protect you against incapacitation from any accidents sustained in the discharge of your duties as an employe.

If at any time you are unable to work as a result of sickness or as a result of an accident sustained outside of your employment, then under our arrangement with the Metropolitan Company, you will receive weekly benefits equal to 50% of your average weekly wage; these benefits commence after the seventh day of your sickness and extend over a period not to exceed twenty-six weeks.

Supplementary Advantages:

In conjunction with the foregoing, we have secured for our employes the many collateral benefits which the Metropolitan Company—the largest life insurance institution in the world—will provide through its long established Welfare Department and its Industrial Service Bureau.

We feel that we can give no better token of our appreciation of your loyalty and cooperation than by making this provision in your behalf for the assistance of your family and yourself.

Yours truly,
Kingsport Tannery, Inc.

Note—Enclosed herewith you will find a blank form. Kindly furnish all the information called for and immediately turn the form in to the office. This information is necessary in order that the insurance company may prepare a certificate stating the amount of your insurance, and the name of your beneficiary.

The health policy provides that after an illness of one week the beneficiaries receive half their weekly earnings for a maximum period of twenty-six weeks. The accident policy is similar. Thus is lessened the constant fear of illness and accident that lurks in the mind of every working man.

Curiously enough, Kingsport felt that the war held it back. Now that the war is a thing of the past the city expects to expand rapidly. In fact, according to the present program, Kingsport expects to have a population of about 20,000 by 1923.

THE Kingsport Improvement Corporation has worked out plans that practically do away with the housing problem. The residents of Kingsport are spared the troubles and worries that beset so many city dwellers in quest of decent homes at a reasonable price. The thing that first strikes the visitor to Kingsport is the beauty of its homes. The houses were all designed by eminent architects, men whose names are associated with the best building projects in the country. The streets were laid out by Dr. John Nolen, noted city planner, who designed the city. The streets follow the natural contour of the country, so the houses are set higher than the streets.

The houses range from four- and five-room frame houses to those of a more pretentious type having from seven to eight rooms. A six-room house, for example, may be rented at $25 a month. Or a man may arrange to buy his home by making a moderate cash payment and extending subsequent payments over a period of fifteen years. The Improvement Corporation sells the houses at cost, plus 6 per cent.

When a working man buys a home in Kingsport he does not come into possession of a house on a lot littered with pieces of brick, mortar and other building refuse and utterly devoid of trees and shrubs. He gets a house with a good street in front of it, all grading properly done and his ground planted with shrubs and trees best adapted to the architecture of his house. The cost of these things is all reckoned in the purchase price or rental, as the case may be. The Utilities Corporation employs a woman who devotes all her time to planting.

The most expensive houses cost between $9,000 and $10,000 and were designed for the higher salaried employes, such as department heads. These houses have all the latest modern conveniences and every house, down to the very cheapest, has a bath or shower. Houses that are being built now cost more than those that were built two or three years ago when the prices of building materials were lower. Kingsport, however, is fortunate in having brick, cement and other building materials right at hand, so there is a great saving in transportation costs.

In some of the houses they tried the interesting experiment of having the kitchen in the front of the house. This enables the mother, while she is working in her kitchen, to keep an eye on the children at play in the front yard or on the street. It also affords her the pleasure and diversion of seeing who is passing and what is going on in the street. Another advantage of having the kitchen in the front of the house is that it facilitates the delivery of food, coal and other household necessities.

When Kingsport grows up it will not be in a haphazard, Topsy sort of way, for Dr. Nolen's plans provide



How Kingsport, Tennessee, looked in 1914, and—

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for a city of 50,000 population. Each phase of the city's life has been guided into a certain definite zone. There is one section devoted to industrial plants, one to retail trade and residences, one to parks and playgrounds and sections for schools, churches and rest places.

The scheme provides for the colored population as well as for the white. Kingsport, in fact, is proud of its high class, industrious colored workmen and plans to keep its colored people at the same desirable level. Therefore it has built comfortable houses for them—houses having modern improvements, too—and they will have their own playgrounds, parks, churches, lodgerooms and schools. Nowhere in the South is the industrious colored family to enjoy a higher economic status than in Kingsport, Tennessee.

The charter of the town was carefully drafted, and just to make sure that it was as good a charter as could be drawn up, the city planners submitted it to the Bureau of Municipal Research of the Rockefeller Foundation and did not adopt it until it had the full approval of that bureau. There are five councilmen who are elected every four years. The people show great interest in these elections because one of the councilmen becomes the mayor. He is elected by the councilmen and presides at its meetings. The city manager is an appointee of the mayor. He need not be a resident of the city or state. The city manager is in full charge of the city employes and may employ or dismiss at will. The school board consists of two women and three men appointed by the mayor.

The insurance company sent one of its experts to Kingsport to report on conditions and to plan a health program. As a result of this program the city now maintains its own community nursing station. It is supervised by a woman who has had years of experience in this work; she is assisted by several nurses. When sickness in a workingman's family is reported, a nurse goes to the home and gives instruction in the care of the patient. Nursing service is supplied free of charge. In the event of severe illness, the patient is removed to the modern hospital the city has built and equipped.

THE nursing service has promoted a new spirit among the employes. There is far less absence due to sickness. No longer is it necessary for a man to remain at home to look after ailing members of his family. As an example, take one of the first cases encountered by the life insurance company's nurse. She called at the home of a working man who was absent from the factory because he had to stay at home and look after his sick wife and baby. As soon as she entered their room she noticed an overpowering odor from a pig sty. Contrary to regulations, this family kept a pig in the back yard and the bedroom opened on this yard.

The woman was too ill to leave her bed and the baby was untidy and in need of attention. The husband, much worried, was trying to care for them both. He was persuaded to go back to his job and leave the care of his family to the nurse. When he came home from work that evening and found his wife and child clean and comfortable, he was so delighted that he made no protest about the removal of the pig.

Kingsport expects to outdo Framingham, Massachusetts, in lowering its death rate from preventable disease. Many of the features that have made the Framingham experiment such a success have been duplicated in Kingsport. Before the active health work was begun in Framingham the annual rate of death among babies was 81 to every 1000. During the first year of the organized health work the number was reduced to 62 to every 1000. The deaths from tuberculosis decreased from 121 to 70 for each 100,000. By such results the people of Kingsport know what can be accomplished if a city works hard at being a spotless town. The benefits to industry from a population where the death and sickness rate is low are very marked, although they may not be fully expressed in terms of dollars and cents.

Other activities of a purely health nature that Kingsport has engaged in are the maintenance of a first aid station that has two beds for emergency cases and all the latest first aid equipment; a modern ambulance that is ready for duty at any moment, and a hospital that is run by the city and is thoroughly equipped with all modern appliances. It accommodates forty patients.

The city takes the greatest care of the working men and their families. Children, as well as their elders, are examined carefully and are promptly treated on the least symptom of incipient disease. They are instructed in the proper care of their teeth and in the usual health measures. Mothers are taught how to care for their babies and how to look after themselves. Prospective mothers receive expert attention. All this has a tendency to keep the workers' minds at ease and results



How Kingsport looks today

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in far better work and fewer accidents in the industrial plants.

The school system was adopted only after the most careful study of the various systems used in the advanced communities in the country. It was planned along the lines of the system employed in Gary, Indiana. There are four acres of playground around the school houses. Children are directed in their play by an experienced play teacher.

A landscape engineer was sent down to Kingsport to superintend the planting of trees and shrubs and to supervise the laying out of the civic center. The civic center was planned to allow ample space for all public buildings that are to be erected in the future, and it is so situated that it may be reached easily from any quarter of the city.

Industrial experts have worked out a plan whereby, through co-operation, there will be no industrial waste. In other words, one factory feeds another. The owners of the various plants work together as closely as possible. For example, the industrial alcohol plant, the dye works, the pulp mill and the tannery all need lime, and they all get it from the cement company. The harness factory gets its leather from the tannery and the tannery gets its tanning extract from the extract plant; the extract plant also furnishes the pulp mill with extracted wood chips.

All the manufacturers obtain building materials from the brick and cement plants, and power and water from the utilities company. From the dye company the hosiery company gets its dye and the pulp mill its bleaching powders. Thus manufacturers supply one another and cut down transportation costs.

The expansion plan also provides for a fertilizer plant to produce fertilizer from the potash and phosphate obtainable in the surrounding country. This plant will also use the refuse of the tannery. A packing house will be built to stimulate interest in cattle raising, and this, too, will produce material for fertilizer. The wood alcohol plant produces charcoal that eventually will be used by a charcoal iron furnace. A lime nitrogen plant is also contemplated. The plan, indeed, is so comprehensive that when it is finally completed it will leave small chance for industrial waste.

One thing that Kingsport watches closely is labor turnover. Each of the industries uses standardized employment forms and cards and all employ the same method of figuring and analyzing labor turnover. This practice enables the industrial heads to know exactly what the community turnover is and what are the causes. The knowledge they gain by this system permits them to devise remedies for different causes of labor turnover and to take practical means of lessening it.

Most of the people of Kingsport are of old American stock, people whose families have lived in the vicinity of Kingsport for generations. They are men and women who always have worked and who expect always to work. Their interest in their work is above that of the average worker and they are intelligent, loyal and quick to learn. So far they have shown no disposition to establish labor unions. They are satisfied with things as they are. The employers pay non-union men as much as any union men receive. They are trying to establish an eight-hour day for all workers. These things, perhaps, explain why the workers of Kingsport show such a decided personal interest in their work and in their city. They are all enthusiastic about Kingsport and about the insurance that gives the city the opportunities it enjoys.

Kingsport, of course, is fortunate in many respects. It has a desirable working population and great natural advantages. It is but sixty-five miles from a coal mine, and some industries get coal for as low as $2.94 a ton. It has splendid water, very cold and pure —water that is admirable for condensing purposes, water that needs no softener and that causes a negligible amount of boiler scale.

All these things considered, Kingsport seems an ideal city for the experiment it has undertaken. But even so, this question is an interesting one: if community insurance and the partnership of a great insurance company that has unlimited resources for research and the ability to get the right man for the right job in building up a city makes Kingsport such a successful town, what might it not do for your own home town? Will insured cities be as common in the future, comparatively speaking, as insured people are today?

Millions for Man Power

(Continued from page 7

has gone into welfare and educational work.

His question is answered in a number of ways. Were the object no more than that of creating a spirit of loyalty to the organization, a mighty convincing argument might be supplied by the following letter, written to the editor of "The Wingfoot Clan," the company's and employes' newspaper, by one of the Greek rubber workers:

"In the name of the Greek employes of Goodyear I want to express our appreciation to those who are responsible for the entertainment of Goodyear foreign-born workers and their families at the Grand Opening of the Club House last Saturday evening.

"To those who furnished the idea for Our Welcome," to those who carried it out, and especially to the teachers, entertainers and those who with so much Hospitality and Good Fellowship greeted us and made us feel so really at home.

"We did not feel unnecessary and out of place as we frequently do at similar gatherings of American people. This alone naturally creates a feeling that we desire to express. I am taking the liberty of addressing you that those who are evidently so much interested in our welfare may know that we appreciate their thoughtfulness in remembering us.

Yours very truly,
THEODORE H. SAIPAS,
Dept. 195B.

But another very conclusive answer to the question of whether large-scale returns can be received from large-scale investments of this nature is found in the fact that more than 21,000 employes of the company, both men and women, are partners in the industry and own more than $10,300,000 worth of the company's stock.

The labor turnover, one of Akron's greatest problems, is being reduced at Goodyear, and company officials, reflecting on the decrease, point to the university and the hall as primary causes.

Still, the question of what Goodyear is going to get out of this experiment is best answered by F. A. Seiberling, president of the company. When this question was put to him he replied:

"All this was not established with the idea of profit from the financial viewpoint, and the average hard-headed financier would say that it was a foolish investment, because ordinarily corporations organized for profit invest their money to bring returns that you may find in the cash-box; returns that may be re-distributed in dividends, if you please, out of the surplus.

"But this company has no thought that it ever will make a dollar out of this enterprise. It knows in advance that it cannot do so, but it is looking, nevertheless, to dividends—large dividends, dividends that satisfy the longings of the heart."

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The Sales Plan at a Glance

By ARTHUR H. BRAYTON
Managing Editor, Merchants Trade Journal, Inc.

PERSHING AND FOCH never planned their campaigns for the most vital battles any more carefully than the average department store sales or advertising manager maps out his special events in the store life today. During the war everybody was eager to follow the maps stuck full of many-colored pins which the newspaper offices offered for public inspection. Maps with many-colored pins meant men and lives and ground lost and gained. Just so today, maps and charts with colored pins mean handkerchief, hosiery, rug and notion sales.

Gladding's, a department store in Providence, R. I., uses a map or sales chart for keeping track of all sales, special events, department plans, and window displays. It is one of the most complete charts and at the same time one of the simplest, which has been constructed.

The primary purpose of the chart is to give each department an equal chance to be represented in the store windows, in the store ads, and in the special sales plans. Too often, perhaps, certain departments are neglected and others pushed forward too much because nobody keeps definite track of just how and when such and such a section was advertised and when this or that department was featured in a special sale.

"We get a window every once in a while," some department heads and buyers complain in some stores. "We get a window and our special newspaper space exactly on time every month," say the department heads at Gladding's. The sales promotion chart does it.

The chart covers two months and is changed regularly. At a glance the buyers or department heads can tell just what is going on in every part of the store for eight weeks at a time, and for seven weeks ahead. Each department in the entire store is listed at the left-hand side of the big chart, and monopolizes an entire column clear across for the whole eight weeks.

Three main colors are used in connection with the chart, in addition to the multi-colored pins which are stuck in it in so many different places. White pins indicate Sundays; red, holidays; and green, store events. Thus the chart shows at a glance the special days when nothing else can be planned for any special department.



The chart shows the buyers and department heads just what is going on in every part of the store for a period of eight weeks

Of course nothing can be scheduled for Sundays or holidays, and when a "store event" takes place every department is included, so a white, red or green pin on any day means that there is "nothing doing" in any one section of the store on that particular day.

It happens that the two months represented on the chart when it was photographed were August and September, 1919. There were five Sundays in August, so there are five white pins across the chart at the top, and then comes a red one on the first day of the second month, or September 1. This was a holiday, Labor Day. Then there are two green pins stuck in on September 2 and September 15, which mean special store events, such as an "autumn opening," a dollar day, an anniversary sale or some similar event in which the whole store participates.

This accounts for the large pins at the top of the chart. But what of the smaller various colored pins stuck in at irregular intervals? Some are white with little black numbers; some are black, orange, blue, canary, violet, yellow and green. Each one has a meaning.

The numbered pins correspond to numbers assigned to the windows of the store, so that when a pin with a certain number is stuck in a square opposite a certain department on a certain date, it signifies that this article of merchandise in this department is scheduled for that window on that date. The departments are grouped on the chart according to their buyers, and are divided into groups, shown by double lines on the photograph reproduced.

Different colored pins stand for different forms of publicity, advertising and merchandising. Black pins represent local newspaper ads; orange represent ads in out-of-town newspapers; blue represent advertising in other mediums, such as programs and year books; green pins, national advertising of manufacturers hooked up with store ads; canary-colored pins signify bill enclosures; violet and yellow pins signify mailing slips and all other printed matter to be used.

In the first column of each month are two headings marked "sales." Red and green pins much smaller than those at the top are used in these two columns. The smaller red pins inserted in the sales columns mean that that department is lagging; while a green pin of the small type signifies that the department is overstocked.

One of the biggest and best features about the chart is that it does away with any possibility of department

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heads getting a bit "huffy" about who is to have a certain window on a certain day for their particular sales. Supposing muslin underwear comes in and wants a special window, the front one, for a certain day. The advertising manager sees that jewelry has that window for that date. The underwear buyer can see it, too, picks another date, and knows that nothing will interfere with her plans after the pin is stuck in on such and such a day.

Again, if the gift shop is thinking of putting mailing slips in next month's statements, calling attention to merchandise just received, up goes a canary-colored tack in the gift shop's square under the proper date. On the other hand, the bedding section might want to connect up with a little national advertising that is being done by some bedding manufacturers. A green pin appears.

Perhaps the neckwear buyer has an idea that the fifteenth of the month would be a good time for a little "splurge" in his department. A glance at the sales chart discloses a big green pin on the fifteenth. What's up? Why, an anniversary sale in which the entire store will participate, so neckwear knows there is nothing doing on that date so far as any special departmental sale goes.

Thus the pins promote publicity; they do away with argument, and they make the advertising man breathe easier occasionally. Altogether they are a godsend to the store at large, and to each department in particular.

The chart is made of six layers of corrugated board glued together. The convolutions of each layer run in opposite directions, so that the pins, which are stuck in again and again, will not slip out too easily. Coarse cheesecloth is then put over this board and glued, and on top of the cheesecloth is a thin, smooth sheet of cork, to offer more resistance to the pins. A sheet of white drawing paper is then pasted on top of the layer of cork, and the lettering and drawing necessary to complete the chart are executed.

The layer of cork makes the pin holes close up almost as soon as the pins are withdrawn. A coat of shellac is put over the white drawing paper after the chart is completed, and then a frame is put on to give it stability. It can be hung on the wall, stood on a desk, or put anywhere so that it is convenient. The size shown here, 30 x 36 inches, makes a good legible chart.

Various colored pins, or course, can be obtained easily. These are kept in a box just below the chart. On the first of each month, the pins for the past month are removed; those for the month ahead are put back into the current month while others are inserted for the new month ahead. Thus the store has before it all the time a picture not only of what is going on during the current month, but of what is coming for the next month. The plans are there in plain black and white, or whatever the color may be, and a glance shows what is happening today and what will happen four or six weeks from today.

"Made in Our Own Store"

By EDGAR C. WHEELER

A SHORTAGE of good dressmakers—

The prospect of a dull season in dress goods—

Some originality on the part of a department buyer and an advertising manager—

Result: A thriving dress manufacturing plant on the top floor of the Stone-Fisher Co., one of the largest department stores in Tacoma, Washington, and a booming dress goods department.

Tacoma women are flocking to this department today to select their goods and patterns, to have their measurements taken, and later to receive the completed skirt as it is turned out from the top floor factory—made to order.

The records for the spring season, which at the outset promised to be a dull one for wool and silk goods, show an increase in sales of 100 per cent, according to Franck C. Emerick, buyer for the department.

How was it done?

A small card, prepared by P. C. Smith, advertising manager of the store, and folded in bundles of merchandise carried away by patrons, tells part of the tale:

The Stone-Fisher Co.
Tacoma, Broadway at 11th

Our Special
Made to Measure
Skirt Service
$2 $3

—Hundreds of women are taking advantage of this special service originated by our silk and dress goods departments.

—We will make your skirt to your individual measurements from any wool or silk fabric in stock at the following very special prices for the making—

Tailored Skirts Six Smart Styles For the Making ***$2***

Pleated Skirts Accordeon Knife or Box Pleats ***$3***

Prices are for the making only. Expert tailoring and workmanship. Materials must be purchased at this store.

Similar advertisements were placed in the daily newspapers.

Of nearly 1,000 Tacoma women who had skirts made to order last spring through this offer, all but eight went away satisfied alike with the goods, the fit and the service, the department records show. And for those eight the garments were altered or changed until they were satisfactory. Every skirt is guaranteed.

But the top floor plant has done more than inject "pep" into dress goods sales. With a capacity of fourteen machines, it has been used to serve other departments of the store. For example, the dress goods department manager recently took down a number of pieces of slow-moving goods that had been lying idle on the shelves. He sent them upstairs to Phil Halperin, manager of the dressmaking plant.

Halperin went to work at them. Pieces that would not catch a woman's eye as suitable for house dresses or skirts were cut and sewed into aprons. Other pieces that were not fit for aprons were made into children's dresses and hats. The finished garments then were sent to the ready-to-wear departments where they could be offered at low prices.

"In the process of cutting and finishing scarcely a scrap has been wasted," said Mr. Emerick. "The larger odds and ends have been converted into ties, neckwear and caps, incidentally giving direct service to other departments."

Some other striking results of the experiment so far, as noticed by Mr. Emerick, have been these:

1. The need of investing large sums in made-up goods has been largely eliminated, as has the need of buying large stocks far in advance of the market from eastern concerns. The item of freight charges has been greatly reduced.

2. Costly mark-down sales on slow-moving goods have been replaced by special bargain days in the "made-to-measure skirt service." On these days, known as "Dollar Days," the dress goods department offers to make up skirts from any of its pieces of goods at a cost of $1 and $2 each, absorbing a loss of only $1 in the manufacture of a skirt.

3. Woollen and silk goods have been popularized by means of advertisements, while the salesmen and sales-

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women have a new interest and new incentive.

4. Shortages in any lines of stock in the various apparel departments of the store are quickly met by the humming machines of the top floor factory. Even reed chairs are upholstered, and curtains are turned out.

Like most experimental ventures, the department store factory began in a small way.

"When I found that the dress goods business was not coming up to standard and that good dressmakers were scarce," said Mr. Emerick, "the idea of cutting out skirts for customers, with quick service, came to me. I set one of our men to work with the shears, letting him take home some goods to practice with. When he became fairly skillful we got a line of goods that was easy to make and began advertising that we would cut out skirts, from goods purchased at our counters, for 25 cents each.

"The next step was to install a machine and begin making up garments. The success of the venture warranted still more machines. And so it grew. At present we can turn out anything from sport skirts to children's overalls.

"The thing now is the skirt, particularly the sport skirt. But whenever the styles change, we are in a position to meet the changing demands. We guarantee every skirt. We would rather lose the price of a skirt than have one of our customers go away unsatisfied."

Mr. Emerick is planning to establish immediately a new system in his department, keeping an exact record by letter and number of every roll of goods in stock, to determine just how long each piece has been on the shelves, which pieces are selling, and which salesmen are selling them.

The taking of measurements has enabled him to keep a record of the name and address of every women who orders a "made to measure" skirt or dress.

"This one feature alone has made the experiment worth while," he says. "It has placed us in touch with each of our customers and has built up our mailing list."

Capitalized His Misfortune

The morning after a burglar entered a retail clothing store in Toronto, picked out a new outfit for himself and left his old clothes, the proprietor headed his advertisement: "Out of all stores in town why did he pick mine?"

The ad went on to say that the burglar was only doing as others did in going to the best store in town.

GREAT LAKES TRUST COMPANY
CHICAGO

110 South Dearborn Street CHICAGO, ILLINOIS

Member Federal Reserve System

Capital - $3,000,000 Surplus - $600,000

Devoted to a General Banking Business

Special Attention Paid to Foreign Trade, and Foreign Exchange. Bills of Exchange Bought or Taken for Collection. Drafts Issued. Mail and Cable Payments Effected.



Autocall Service Means Satisfied Customers

Let a customer of R. R. Donnelly & Sons Co., Chicago, call the Donnelly printing plant to talk to an official and there is no delay in getting the message to the proper person.

The Autocall system in their printing establishment makes it possible to reach any official instantly, no matter where he may be in the plant.

Officials out of their offices are always available. The telephone operator inserts a plug under their code numbers on the Autocall and throughout the building their call is sounded from signal stations. A step to the nearest phone and they are in touch with the person calling them.

The Autocall is saving time in hundreds of banks, factories, wholesale and retail establishments throughout the country.

THE AUTOCALL COMPANY (35)
210 Tucker Ave. Shelby, Ohio

"THE MECHANICAL FINDER OF MEN"
Autocall

AUTO-DESK (Pat.) COMPANION

A convenient and efficient file, a "DESK COMPANION" as the name implies, for department-personal, confidential matters or small office use. Always ready to throw open its contents to you. Beautifully done in quartered white oak or genuine mahogany in Wood-Steel construction. "THE IDEAL COMBINATION." Made in letter and cap sizes, having two AUTOMATICALLY expanding full size filing compartments—the upper operated in opening and closing the cover and the lower the FAMOUS AUTOMATIC expanding file drawer. Card or flat drawers between. Push button locking device and roller bearing casters included.

THE SILENT PARTNER

For executives, all business and professional men. This cabinet does big things—like an EXTRA CLERK—always faithful and without the annoyance of continual instructions or questions.

Costs No More Than Something Less Efficient



FREE TRIAL

Sent anywhere on 30 days' trial at our risk of all expense.

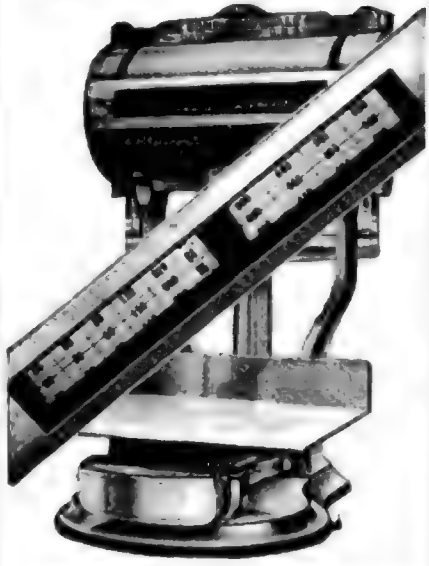
Send for Catalog 21-B

THE AUTOMATIC FILE & INDEX CO. State and 10th Sts. Green Bay, Wis.

DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.

326 WEST MADISON ST., CHICAGO

Sales Distribution

If You're Only Human

(Continued from page 14)

of correspondence," announced Mr. Hibben finally.

There was an awkward pause. Dealtry's face fell. "What's that?" he managed to say.

It was clear that the job had to do with hated letter-writing. This seemed a slap in the face after what he had just said. He didn't want to supervise correspondence. He wanted to get away from correspondence entirely. That was the whole point of his discussion, and the Old Man was ignoring it utterly.

In the midst of these reflections he realized that Mr. Hibben was speaking.

"Listen to me, Dealtry. Forget your prejudice for two minutes, and give me your attention. This is serious. I'm not joking. I'm not trifling. I said a moment ago that this new job would call for all your sales ability. That is precisely true. Do you suppose that salesmanship is just a matter of getting people to agree to take a bill of goods, and then smiling them out of the store? Not by a whole lot. We pay a good chunk of money annually in advertising to bring people here in the first place. We pay another good-sized sum to you and the other men who attend to their wants when they come. I'm in favor of spending some more money and energy to make sure that these people, who are attracted by our advertising and served by our salesmen, are made permanent customers—and that means some attention to them after, as well as before and during, the sale.

"And that's the sort of salesman I want to make you—the man who keeps our goods sold, who brings our customers back, who builds good will. Of course you can't do it alone. There's apparently something wrong in the shipping and delivery service that needs to be jacked up; there may be weak spots in other departments that we'll have to strengthen. But in spite of the best co-operation we won't be perfect; and the thing that will save us in many a tight place is the sort of after-the-sale salesmanship that a good letter can accomplish.

"Here we have this magnificent store, Dealtry; we have a fine sales organization; our advertising is top notch; and our letters—why they are as out-of-date as a wheezy old government mule I saw rusticating over in Jersey the other day. He had served at some army posts out West, and went through the Mexican campaign; now he is enjoying a permanent vacation while motor lorries are doing his old job.

"Most of our letters are wheezy and hamstrung and paralytic. They are made up of the same old phrases that passed current a hundred years ago. Look at this letter I've just read. When the customer gets through with all your "trusting" and "regretting" and "awaiting" do you suppose she thinks of us as a live business that is on its toes to serve her? Will she feel like coming here for her next order? Maybe so: habit's a strong influence. I don't think, though, that she'll come because of this letter; she'll come in spite of it. Here was an opportunity to clinch that customer—to hitch her and her home directly to our store, and not casually classify her as in our Friday delivery zone."

"Well, sir"—interrupted Dealtry, big-eyed with a question that seemed to him to get to the heart of the matter.

"Oh, it's not you I'm blaming," answered Mr. Hibben. "This is the sort of letter we have all been sending out. It's quite typical of my own letter file. But, Dealtry"—and his voice softened—"do you remember Mrs. John Reece—a customer—upstate?"

"Indeed I do," replied Dealtry. "There's a letter to her in that bunch."

"So I noticed," observed the head of the firm, smiling once more. "Well, I happen to know Mrs. Reece. She's a friend of the family. I usually wait on her myself when she comes in here. I was out when she called in August, if you remember the occasion."

"I remember her perfectly," said Dealtry.

"Well, my wife and I were motoring up that way Sunday, and we dropped in at the Reece's for a call. Mrs Reece told me of that remarkable episode of the mattress. And she showed me that letter you wrote back in September."

Dealtry reddened at remembrance of the letter.

"It was one great little letter, my boy."

"But not a good business letter, Mr. Hibben. Too unconventional."

"It was just right. It was human, and that's what mighty few business letters are. It was honest and to the point. The language was natural, conversational."

"Excuse me, Mr. Hibben, but do I understood that you approve of that letter?"

"I most certainly do," answered the president.

"Well, this *is* surprising," retorted Dealtry. "I'll confess that I came here prepared to defend this latest creation of mine. I thought you were going to jump on it."

"I'm afraid I might have—last week," sighed Mr. Hibben. "Why,

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do you know what Mrs. Reece told me?" he asked, with a sudden vehemence. "She said she was prepared to quit trading here—had in fact decided that we were too careless, too lacking in consideration, too wooden and stereotyped and self-satisfied. Her Yankee sense of exactness made her want to see the mattress matter adjusted, but after that it was 'good night' for us.

"Then your letter came. She said it made her smile, and then laugh, it was so natural. The advice you gave happened to be the very thing she had done—she had already stuffed pillows in with the mattress and so made some use of it. Your letter resold her. Not only did it smooth out the irritation, but in her eyes it redeemed the house of Hibben & Company. She decided that we were human after all, and not pompous asses.

"And this other letter—this one that you sent today—will wind up the adjustment in fine style. It confirms my choice. I want you for this job. Talk about concentration on your specialty—this is your specialty! And salesmanship?—this means super-salesmanship. Just be human, and you'll work wonders for Hibben & Company."

"But I really doubt my ability," protested Dealtry. "You saw how confused I got this morning when you overheard my dictation."

"That's easy to explain. You were dictating something real, something personal, and self-consciouness was perfectly natural. If you had been rattling off a string of those beg-to-states, the interruption would have meant nothing to you. The very element that made you self-conscious is the element that we want to get into our letters. That's what this new job calls for. You know now what I want. You've got vision enough to see its possibilities for us and for you. Does it interest you?"

"It does, Mr. Hibben. What you have said puts the whole thing in a different light. If you think I'm good enough, I'll be glad to tackle it."

"Fine! That's settled. There are details to talk over, and we might postpone that to tomorrow—say at lunch. Shall we lunch together?"

"Yes," answered Dealtry, "and, if I may have that privilege, I'd like to suggest the place."

"Sure," assented Mr. Hibben. "Anywhere you say."

"I'd like to make it the London Fog," said Dealtry.

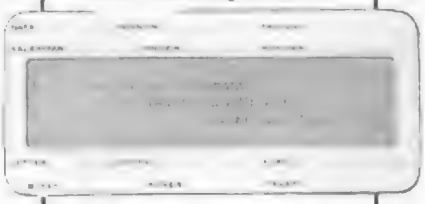
"Eh? The London Fog? What the mischief is that?"

"A place where you can eat—and think," said Dealtry.



A New System of Mechanical Addressing

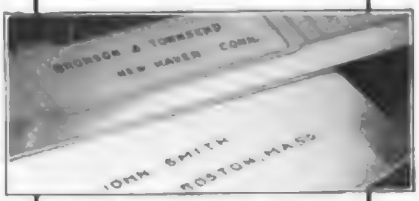
Your stenographer stencils the Elliott Address Cards on her typewriter. You can correct your list daily without buying an expensive embossing machine as was necessary with former Addressing Machines.



Elliott Address Cards are also index cards; are $\frac{1}{7}$ as heavy, $\frac{1}{3}$ as bulky and $\frac{1}{2}$ as expensive as address plates of former Addressing Machines.



Soft rubber ink roll presses the ink through the Address Cards, giving equal pressure on every letter. This overcomes uneven addresses turned out by former Addressing Machines.



Work comes out of the Addresserpress Address Side up instead of Address Side down as with former Addressing Machines.

LET your stenographer stencil Elliott Address Cards for that list of addresses that you have to write periodically.

She can stencil the addresses into the Elliott Address Cards *with her own typewriter* by simply removing the ribbon.

Then, as often as you wish, you can run the Address Cards through the Addresserpress, which will transfer the addresses on to your Circulars, Statements, Lodge Notices, etc., at a speed of sixty impressions per minute.

You keep the Address Cards in alphabetical order just like index cards — always ready to be run through the Addresserpress.

If you are going to write the *same* list of addresses *five or more* times, it will be *cheaper* to use Elliott Address Cards than to "address by hand."

You can't afford to enter the battle of modern competition without this business machine gun. It will address your *every* business form *as* you want it and *when* you want it.

Send for our Booklet, "Mechanical Addressing," and tell us what addressing machine you now use

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144 Albany Street, Cambridge, Mass.

The Addresserpress
MADE BY THE ELLIOTT CO. of CAMBRIDGE, MASS.

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—also a systematic, businesslike method of displaying them.

National Maps are modern in every respect. Their washable celluloid surface makes it possible to erase, quickly and completely, any marking made thereon. Use either a sponge or a damp cloth.

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If you are in the market and are interested in the service we have to offer, please communicate with us.

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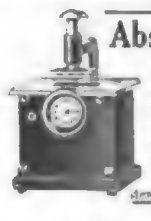
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Knows to the minute when work is started and finished, when orders are received and delivered, when letters are received and answered.

Kardex Time Stamps cost little, are built for long service, and work quickly, smoothly and accurately.

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THE COLYTT LABORATORIES — Dept. "T"

565 W. Washington Street, CHICAGO, ILL.

A Harvest for the Reaping

Continued from page 9)

there are seven cows. The number varies from a little less than five in the west to a little more than eight in the east.

About one-fourth of the farm women actually help with field work during an average period of nearly two months a year. Although that custom varies little for the different sections, it varies much in different communities.

"I don't help on the farm because American women don't," an Italian woman in New England wrote on her questionnaire.

In reaching a customer it is well to know all you can about the situation of that customer. The report affords considerable general data of high value. For example, the average farm in the eastern section is 64.4 acres, with 83 per cent of the farms owned by the occupants. Sixty-nine per cent of them are "general" farms. In the central section the average farm comprises 175 acres, with 75 per cent of those reporting owning the farms. Eighty-three per cent of the farms are "general" farms. In the west the farms attain an average of 227 acres; 85 per cent of them are owned by their occupants and 72 per cent of them are devoted to general farming.

The average farm, all sections considered, is about one and a half miles from the district school house, between four and ten miles from the high school, from two to six miles from the church, and from three to eight miles from the market. The distance from the family doctor ranges from an average of about three and a half to more than ten miles, reaching in Nevada an extreme of thirty-four miles. The distance from hospitals and trained nurses varies in a majority of cases from about ten to about eighteen miles.

One of the surprising disclosures relates to children on the farm. For all farms reporting there are an average of only 1.18 children under ten years of age and only .89 children between ten and sixteen. The figures increase, but not greatly, as we go westward.

"There is a direct relation," says Miss Ward, "between the farm home equipment and the number of children on the farm.

"Some of the financial returns received by the farmer, as a result of the wise care and feeding of animals, might well be invested in time-saving home equipment in the home so that the wife can give greater attention to the science of feeding and rearing her children," she declares.

Miss Ward's comments on the collected data point to the conclusion

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that the most promising resource for lightening the burdens and improving the condition of the farm woman lies in better equipment for the home.

The report shows that the farm wife, chiefly because of antiquated equipment for keeping up the home, is sadly overworked. Her workday averages more than eleven hours the year around. It reaches the astonishing length of 13.12 hours in summer, with only a one-and-a-half hour rest period. The figures vary little in the different sections.

"In industries where love and service are not the ruling motives, conditions like those brought to light by this survey," says Miss Ward, "would foreshadow a walk-out."

Only 13 per cent of the farm wives report an annual vacation, and the average length of these few vacations is less than two weeks.

THE survey disclosed many evidences of mental alertness, however, on the part of the farm women. In many sections they are getting together in the form of community clubs and centers for the purpose of working together in solving mutual problems. That tendency is encouraged by the extension work inaugurated by the United States Government under the Smith-Lever Act. Specialists in home economics now work with women and children in a great proportion of the farming communities of the country.

It was found, for example, that 32 per cent of the farm women keep the farm accounts and that nearly as large a percentage keep home accounts.

Nearly one-half of the women keep records on poultry-raising operations, but it was surprising to find that only an average of 22 per cent have free use of the money thus earned. Only 16 per cent use the proceeds from the eggs for pin money and a still smaller percentage have the use of the butter money.

The farm women of the country evidently are improving their condition, but there is much to be done before they are on the same satisfactory plane.

"This is a serious matter," says Miss Ward, "because we have a live national problem now in working out the economics of country living in such way as to conduce to willingness to stay on the land and help build it up. Perhaps the greatest factor in bringing that about will be the healthy, alert and expert home-maker, who will see to it that part of the increased income from the farm goes into improving the home. At a time like this, when the scarcity of farm labor is a limiting factor in production, it is very doubtful business policy for farmers to use increased income to buy more land instead of using part of it in raising standards of living, so that women and young people will not want to go to the cities in search of attractive living conditions and amusement."

The manufacturer, the advertiser and distributor come into the situation by reason of the fact that theirs is the opportunity of providing the farm woman the labor-saving equipment she needs. Not only must it be made obtainable but it must be sold to her, either directly or through her husband.

There are many signs to indicate that a direct appeal will prove no less effective with the farm woman, herself, than it has proved with her sister in the city.

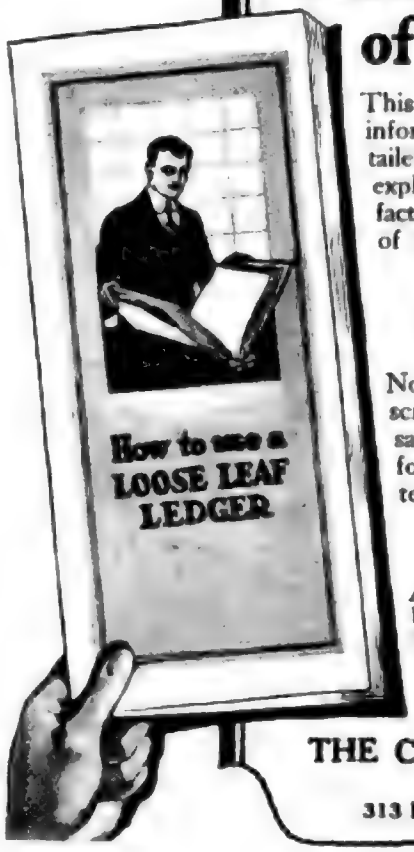
Why Salesmen Have Wrinkles

Mother was very keen on correct deportment, and never lost a chance of instilling it into Mabel.

"There's one important thing, my dear," said she. "You must never point at anything."

"But mama," objected the little girl, "suppose I am shopping and don't know the name of a thing?"

"Then let the assistant show you everything in stock until he comes to the article you desire."—St. Augustine Record.



Send for this book of better bookkeeping

This new booklet just issued contains valuable information for manufacturer, wholesaler, retailer, jobber and every bookkeeper. In it are explained the simplest, easiest and most satisfactory Loose Leaf forms for keeping every sort of record.

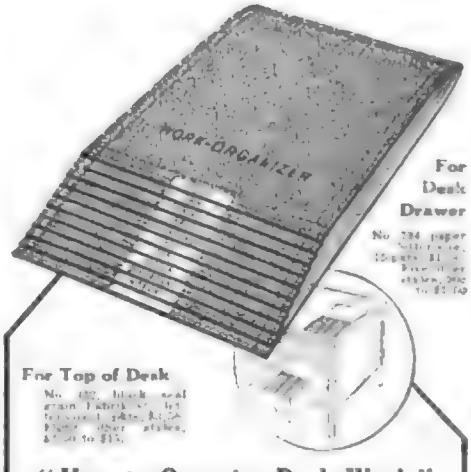
Accounting Systems For Every Business Purpose

No matter what your business, this book describes a better, simpler, labor- and money-saving system that you can use. It shows forms and systems for every requirement tells how to use them.

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Although prepared at considerable expense, this book will gladly be sent on request. By studying it you can eliminate useless labor, prevent errors and increase the efficiency of every department of your office, factory or store. Send for your copy of "How to Use a Loose Leaf Ledger" *today*.

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Is the name of a simple little four page bulletin which tells how any office worker can chase away that littered desk problem and clear the desk for action. Executives will learn from it how to organize all desks and increase productive time in the office. It is worth a ten dollar bill to any office worker.

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Direct Connections

HAVE you ever considered the possibilities offered by the advertising pages of BUSINESS for delivering your selling message directly to the man who will be consulted before your product is ordered?

The mailing list of BUSINESS, containing over 125,000 names, is a list of men you would want to get in touch with if you, personally, were calling on these concerns. They are men with unlimited buying power.

We will be glad to discuss with you the sales opportunities for your product as applied to the field delivered by BUSINESS.

"And Now I'm Making Money"

(Continued from page 20)

department, for instance, showed that we had in stock $400 in meat at cost price. During the week, according to our invoices, we added $500 in meats to our stock. If we hadn't sold a thing we ought to have this week $900 worth of available meat stock. Our inventory, however, shows that we now have only $300 worth in stock. Obviously we must account for the difference between $900 and $300, or $600 worth of meat.

We total our duplicate meat sales slips for the week. If we sold the meat at cost, and no meat was stolen or lost, the sales slips should total $600. But we sell the meat at a profit and the sales slips show only the selling price, so the sales slips will show a total for the week of more than $600, let us say $700. Our profit for the week in the meat department is therefore $700, the selling price, minus $600, the cost or inventory price, or $100.

As I understand inventory-taking in retail stores, this is the most satisfactory way of handling it. We can't account for every piece of meat, but the big idea is to be sure that the department is making money, and this much we know absolutely.

The inventories in the other departments are taken in exactly the same way. We know how much stock we had on hand last week, we know how much was added to the stock available for sale during the week, and we find out how much stock we have on hand at the time of taking the inventory. The sales slips show how much has been sold and the difference between the sales slips total (figured at the selling price) and the amount of goods taken from the shelves (at the cost price) gives us our profit for the department. And a profit each department must make or I find out the reason why.

I keep a perpetual inventory of the groceries on hand in my stock room. Whenever one of my salesmen transfers anything from the stock room to the shelves in the store, he writes the articles on a slip and hands the slip to me. I post the figures to my perpetual inventory sheet. Once a week I make the necessary extensions to show just how much of each article I am carrying in my stock room. This inventory, of course, is taken at the cost price. This inventory-taking gives me a grip on my business for which almost any retailer might envy me.

Here is a little incident to show how I used to be "trimmed on trimmings." I hope the telling of this story will serve to open the eyes of others who are in the retail meat business. It had often occurred to me that I was not getting all that was coming to me for my trimmings. One week I took a notion to grade and weigh the trimmings before the scrap man came around in the morning. I figured the trimmings, sewets, bones and other waste on hand to be worth $36. I let the driver load the scraps on his wagon and then, as usual, asked him, "How much?"

He replied, "Eight dollars will cover it this morning."

I said, "Not on your life; you give me $36 or unload."

Now I had weighed and graded the trimmings very carefully and I knew to a cent how much they were worth because there's a standard price for sewets, bones, etc. Strange as it may seem, it never had occurred to me before to do this. The scrap man realized that I had him. He "came across" with the $36 and ever since that day I weigh and grade the trimmings and get what they are worth.

When I was in the hospital the credit system, so far as my business was concerned, was put to an unusually thorough test. I don't say that people took advantage of my absence, or that my employees didn't try to run the business as conscientiously as I would myself, but the amount of money outstanding on the books increased to alarming proportions. When I got back on the job I made up my mind that the credit business would have to go.

A GROCER cannot borrow money at the bank on the money owed him by his customers. The grocer has to put up gilt-edged security. I never could see any more reason for a grocer extending credit to a customer without security than for a bank to extend credit without security.

I have found the cash-and-carry business much more satisfactory than the credit business. I have no money outstanding; I lose no money on bad accounts and I save the cost of delivery. By the way, the customer gets the benefit in lower prices because of the cash-and-carry system.

But I am not stiff-necked on this question. Lots of my friends run a credit business and get away with it. In most instances, though, it's because they have an adequate system for keeping track of their accounts.

I believe we sell more eggs than any other grocery of the same size in the country. We guarantee our eggs to the extent of offering a refund of from 5 to 10 cents for any imperfect egg. Often we have our egg-candling machine right in the window to show people how eggs are candled. There isn't much chance of a bad egg being

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sold in our store. I don't remember of anyone ever claiming the refund. The eggs are crated small, medium and large, and we pack them by the dozen in special containers on which "Kester's Market" is printed. These little advertising stunts pay.

In the winter time when the streets are piled high with snow and the sidewalks are almost impassable, we pay particular attention to our windows. We keep them dressed up as attractively as possible and display special bargains. In the summer time we always keep an attractive display of fruits and vegetables on the sidewalk in front of the store. One of the salesmen sells from the sidewalk almost exclusively. We serve free coffee in the winter and iced tea in the summer. This little service doesn't cost much and booms the sale of coffee and tea.

I make a special study of market conditions. I don't permit any salesman to influence me to buy against my better judgment or when market conditions do not justify it. I get my market information daily from the Government Bureau of Markets. The government sends these reports gratis on a wide variety of products to any retailer who requests them. I keep in touch with the managers of packing houses. For instance, when Swift & Company order their Worcester manager to sell eggs, not to store them, I figure I should follow suit.

I believe the importance of watching market prices is not appreciated by most retailers. By buying at the right price and not overbuying you can give your customer the benefit of lower prices.

I want to pay my respects to Mr. Average Grocer. I was once considerably below the grade of the average grocer, so I think I am warranted in talking about those who are still struggling along in this class. The average grocer does not know what he has in his store; the average butcher doesn't know the value of his meats on hand. Neither of these retailers knows his operating expenses and, what is worse, he doesn't try to find out. The average butcher or grocer buys from hand to mouth; he overbuys or underbuys, and always keeps his wholesaler on the anxious seat. The average grocer or butcher thinks he is making money; he doesn't know for sure. If the truth were known, he is usually only two jumps ahead of the sheriff.

If every grocer and every butcher would take a physical inventory once a week or once a month of everything on his shelves, in his cellar and in his ice box, and check these totals against his sales and his money in the bank, he would get somewhere.

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from steel
gets a better reception



The impression created by your letters or statements depends not only on the printed or typewritten message, but also on the quality of paper used and the character of the printing on that paper.

Printing from steel gives that distinguished effect characteristic of engraving. It is especially effective for letter-heads, envelopes, statements and the like.

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Please send me your book "Why Walk," and further descriptive matter.

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CADILLAC



IF YOU are not keeping a perpetual stock record, or if you are not getting satisfactory results from your present system, it will be well worth your while to phone the nearest Burroughs representative and let him show you how Burroughs Bookkeeping Machines and Burroughs Calculators can be adapted to the stock-keeping requirements of your business, be it large or small, in such a way as to provide you with stock records as accurate, up-to-the-minute and economical as those of the Cadillac Motor Car Company.

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Burroughs Machines fall broadly into three groups, Adding, Bookkeeping and Calculating, with models adapted to every kind and size of business.

An interesting and more detailed description of the Cadillac Stock-Keeping System, as handled on Burroughs Machines, can be obtained upon request to the Burroughs Adding Machine Company, Detroit, Mich.

Cadillac didn't have to guess at the value of stock on these shelves the day before the fire. Their Burroughs stock record showed it.

ADDING-BOOKKEEPING-CALCULATING

A-B-C





Cleveland's oldest department store installs the L. B. Card ledger—

The above photographs show the card ledger and billing departments of the Higbee Company, Cleveland. This installation, which replaces a hand posted loose-leaf ledger, is one of the most efficient department store installations in the country.

It is refreshingly efficient because it does what every department store and in fact what every business is begging for today:—*it gets the statements out-on-time!*

It must be obvious that the sooner the statements go out—the sooner the money comes in—the less the executive heads of the business have to worry about tight money, bank loans, and 20% reduction sales.

Never before has the value of a machine posted L. B. Card ledger been more strikingly apparent than right now. We shall be glad to give you full details of its success in department stores, in banks, in businesses of every description.

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Birmingham, 2300-8 Jefferson County Bank bldg.
Bridgeport, 989 Main street
Buffalo, 125-127 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 202 Hubbell bldg.
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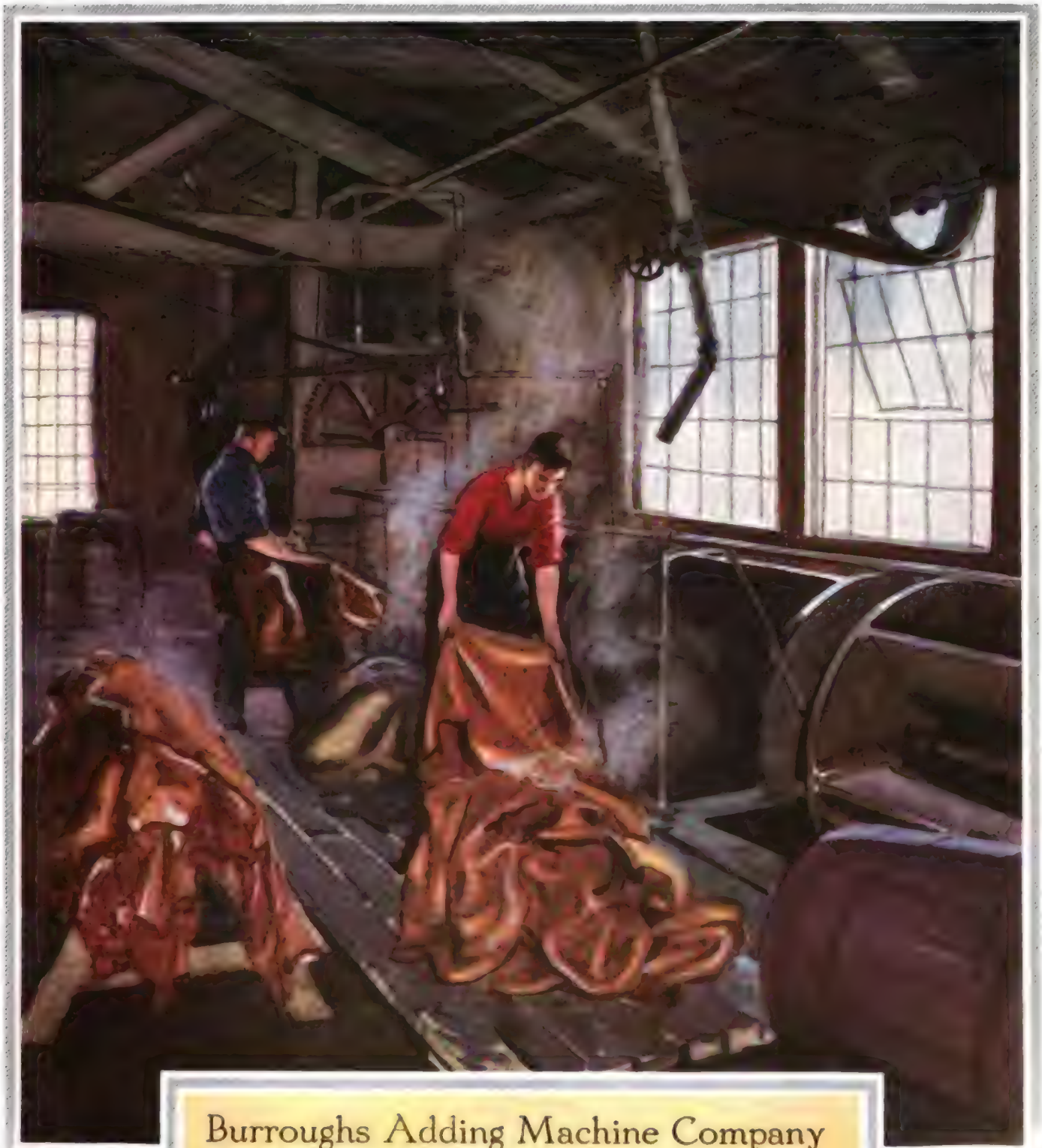
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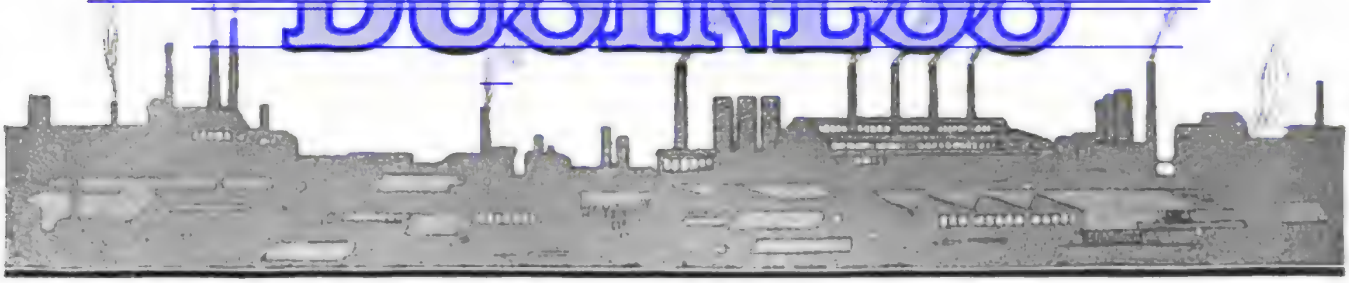
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BUSINESS



Volume one
Number twelve

SEPTEMBER, 1920

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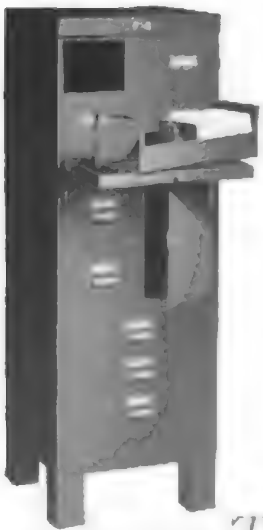
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A Close-up of the "Co-ops"

By ARTHUR H. LITTLE

STEP OUT of your character for a moment. If you are a merchant, imagine yourself on the other side of the counter. You are an ultimate consumer, a customer.

You are a farmer, or a miner, or maybe a railroader. But you own a little piece of stock—five shares, say, at five dollars each—in a retail store. It happens that you haven't bought anything in that particular store for six months. But, one afternoon, as you are passing the store on your way home, you stop in and buy a broom. The price is, say, one dollar. You get the broom and hand over the dollar. Then the man behind the counter says:

"By the way, Mr. Soandso, we'll be mailing out the dividend checks tomorrow. Yours amounts, I think, to one dollar. Then, too, our net profit on that broom is ten per cent. You are entitled to that much refund. Here's your ten cents."

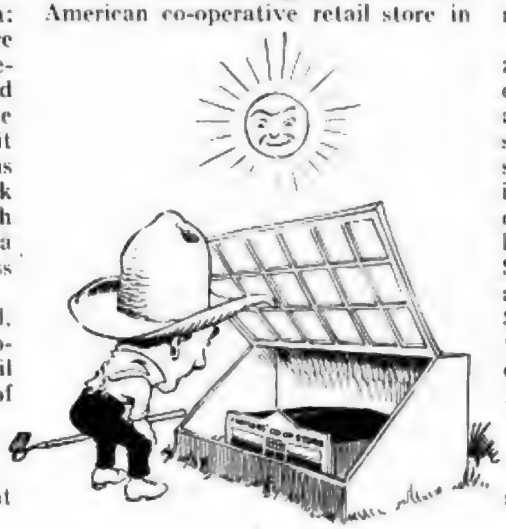
And you walk out of the store with your broom, wondering what you can do with a dime.

That, reduced to its simplest terms, is the Rochdale plan of co-operative retail selling. The idea is simple enough; and in the application of the idea there is nothing complex, nothing mysterious or profound. And yet, around that simple idea of returning to the share-holding customer the net profit on his purchases—an idea that was first applied to retail practice 'way back in the early days of the nineteenth century—there has been developed a world-wide, truly tremendous business movement.

In Rochdale, Lancashire, England, in 1844, the Rochdale Equitable Pioneers opened the first co-operative retail store. There were twenty-eight of those pioneers, all cloth weavers and all poor men. By twopenny and threepenny subscriptions they had raised a capital of exactly twenty-eight pounds. With their twenty-eight pounds in cash, eked out by several million pounds in optimism and hope, they planted the seed of business co-operation. Today the same Rochdale Equitable Pioneers number their shareholders at more than 15,000 and the volume of their business—broadened out now into manufacturing, wholesaling, jobbing and retailing—is said to run more than a half-million pounds a year.

Meanwhile, from that same beginning in Rochdale in 1844, co-operative retailing has spread and taken root in all parts of the commercial world. Thousands of stores, with hundreds of thousands of shareholders, hundreds of millions of dollars in invested capital and more hundreds of millions in business volume—these terms suggest, but do not define, the extent of the spread and growth.

When the winds of commerce carried the first seed of the co-operative plant westward across the Atlantic, they dropped it upon the same rock-bound coast upon which the Pilgrims had landed. Boston brought forth the first American co-operative retail store in 1847. The first one grew and flourished and through the conservative East other "co-op" stores sprang up sporadically.



But it was the Middle West, a decade or so ago, that took the co-operative idea where England and the European continent and the American East left off and put the thing on a quantity-production basis. It was the Middle West, with its sunlight and soil that grows ten-foot corn, that planted the seed under glass and watered it and cultivated it. And the seed did germinate most amazingly, so that everywhere the sprouts shot up and grew apace. Today one Middle Western state alone—Kansas—has more than 750 local co-operative associations engaged in retail business.

And co-operative organization and management in the Middle West have gone beyond retailing, back along the route of distribution to the producer. There are co-operative jobbing associations, co-operative wholesaling enterprises, co-operative elevators and flour mills and co-operative agencies to market the products of the farm and ranch.

Under the auspices of a single organization of farmers, Kansas has 600 co-operative associations of a local nature, about 300 of which operate retail stores only; the 300 others run retail stores, operate grain elevators and deal in hay, flour, coal, sugar, salt and such commodities. The biggest of these local associations is doing a business of $5,000,000 annually. Its retail store alone has gross sales totaling nearly $400,000 a year. Together and in all their lines of activity, the 600 local co-operative associations operated in Kansas by members of this one organization of farmers are rolling up a gross annual business of $200,000,000.

In addition, there are in Kansas some 100 co-operative retail stores

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operated by locals of labor unions, and besides these there are probably a score or more of other "co-op" stores established and conducted by groups of individuals who, without the bond of any sort of prior organization, have simply associated themselves in co-operative enterprises for mutual benefit. The total gross business done by these labor union and "independent" co-operative associations in Kansas is estimated at more than $20,000,000 a year.

Nebraska, with about an equal number of farmers' stores and about the same number of labor union and "independent" stores, does an annual co-operative business about equal to that of Kansas. Iowa, where the development is more recent than in Kansas or Nebraska, has about 300 incorporated co-operative enterprises engaged in retailing and operating elevators; but, in addition to these, there are in Iowa some 500 or 600 unincorporated associations engaged in the marketing of live stock and other products of the farm. Missouri and Oklahoma have each made a healthy start with some 100 co-operative associations apiece; and Colorado, with an active, state-wide interest in the subject, a well-organized, state-wide association of farmers and its map already well dotted with co-op stores, seems destined to take its place in that great group of Mid-Western states, with their hundreds of small, prosperous towns and villages, where the co-ops are co-opping at their best.

In general, local co-operative associations in the Middle West may be considered in three major divisions: associations organized and maintained by farmers, associations instituted and conducted by labor union locals and the "independents" operated by groups of individuals not otherwise organized.

Of the farmers' stores the greater number are operated by members of the Farmers' Educational and Co-operative Union of America. Officially, this organization—and it is nation-wide, by the way, although its co-operative commercial activity has attained its greatest development in the Middle West—describes itself as a "non-political, non-sectarian organization composed entirely of men actually engaged in farming." The description continues: "It (the union) consists of the national union, thirty state unions, several hundred county unions and about 20,000 local unions. The local union is the fundamental unit of the association. It is composed of the individual farmers of a single neighborhood and the membership varies from about 15 to 150."

In the case of the Farmers' Union stores it is the local union that organizes the local co-operative association to operate a retail store or other commercial enterprise. In the operation of its business the local union is its own supreme authority. It may turn to the state union for advice, for the auditing of its books, for insurance, or for other service; but for the success or failure of its own commercial undertaking the local union alone is responsible. It may start with as small or as large a capital as it sees fit, buy and sell as it deems best, engage and dismiss its own employees and conduct its own general affairs without dictation from anyone. It may elect to operate a produce station to market cream, butter, eggs, hides and other farm products; it may go into co-operation on a larger scale and operate a general retail store or a grain elevator, and, in addition to handling grain, it may deal in coal, flour, feed, salt, fruit and vegetables bought in carload lots and distributed among its shareholders; or, with its neighbor unions in the county, it may organize a county unit, operate several retail stores, a half-dozen elevators and several produce stations scattered throughout the county.

But whatever be the line of business in which the unit engages, the methods of organization and management are virtually standard. Assume, for instance, that it has been determined to go into general retailing—the operation of a "general" store of the type so frequently found in agricultural communities, and the type of store the Middle-Western co-operative associations usually do operate. Depending upon the trade district that the store will serve, the capital likely will range from $5,000 to $25,000, although in many instances it exceeds the latter figure; the number of stockholders will range from as low as fifty at the start to as high as 300.

A charter is obtained under the laws of the state and the books are opened for the subscription of stock. The price per share is low—often five dollars—and only a member of the Farmers' Union may buy stock. A person may buy as little as one share, but a maximum limitation—often 5 per cent of the total capital—prevents any one individual from securing anything resembling control of the enterprise. The stock itself is to pay a dividend—and this, in different cases, ranges from 5 to 8 per cent per annum. After a sufficient amount of stock has been subscribed the store is established. Often it is feasible to buy out an established store; otherwise new stock is bought and a new "stand" opened. The store is ready for business.

NOW the purpose of the co-operative retail store is to eliminate the retail profit. The method is to sell to the shareholding customer—the non-shareholding patron does not participate in any benefit that may accrue—at a price sufficiently higher than the cost price of the goods to pay for the handling of the merchandise, plus the fixed dividend on the capital stock. It has not been found possible, however, to establish that profitless, mere cost-paying margin at the time each sale is made. The practice, accordingly, is to set the mark-up high enough not only to meet all operating costs, plus the stock dividend, but to provide a surplus—which might be called the net profit. Then at the end of a certain fixed period, six months or a year, the percentage rate of net profit is determined and there is rebated to every shareholding customer that percentage of the total of his purchases during the period.

Consider a specific example. The store, during the year—assuming a yearly, instead of a half-yearly, basis—has done a gross business of, say, $100,000. Out of that gross must come the cost of doing business, that is, the actual cost of handling the merchandise as it is made up by the items of rent or other realty charge, salaries, heat, light, delivery and the like. Out of the gross, too, must come the 8 per cent dividend on the stock, and this must be paid in cash to the stockholders, to each in proportion to his holdings. The residue, above all expenses and above the stock dividend, is the amount that



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is to be distributed, pro rata, among those stockholders that have patronized the store during the year.

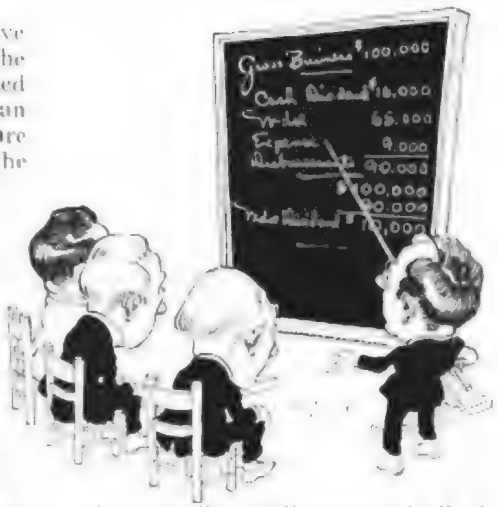
Assuming that this surplus to be divided amounts to 10 per cent of the gross business, and taking a certain stockholder who has bought $600 worth of goods during the year, that stockholder will receive 10 per cent of $600, or $60, as his cash refund—or, as the co-ops call it, his "merchandise dividend."

Whether the stockholder holds one share of stock or five or ten or the maximum, the rate of his "merchandise dividend" is exactly the same as the rate of the refund to all other shareholding customers. If he has bought nothing at the store he gets no rebate; if he is not a stockholder, but has bought goods at the store, he gets no rebate. And, as will presently appear, it may even happen that, despite the fact that he is both a stockholder and a customer, he will get no rebate, nor will any of the shareholding patrons.

Two "selling points" are advanced in advocacy of ownership of stock in the store and patronage of the enterprise. From the pure investment standpoint, it is pointed out that one share—at a price of, say, $5 a share and with the dividend rate at, say, 8 per cent—will return 40 cents a year, but that twenty-five shares will pay twenty-five times that much. Then the stockholder will share, too, in whatever merchandise dividend may be declared—provided he buys goods from the store.

It will be seen that, in practice, the co-operative store does not necessarily undersell the market. Its prices, in fact, generally are on a par with the prices of other stores in its district. To the many non-shareholding customers that patronize co-op stores because they are "handy" in the neighborhood, co-operative retailing can hold out no money-saving benefit. On the contrary, the non-investing customer contributes through the profit he pays on what he buys—to the surplus that is divided among the investing customers. Despite this fact, however, every co-operative store draws a considerable amount of neighborhood trade and a considerable proportion of its business is made up by purchases of non-shareholders.

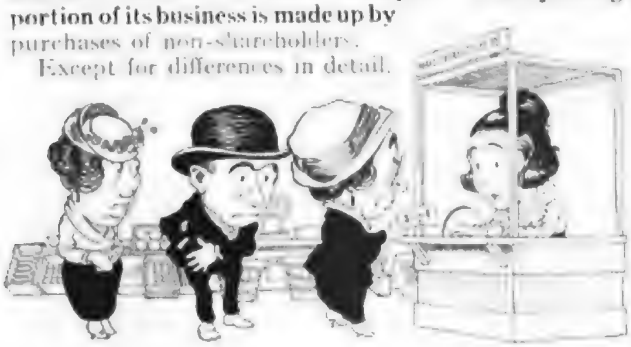
Except for differences in detail, the plan by which the co-operative stores of the labor union locals and the "independent" groups are organized and conducted is the same as the plan by which Farmers' Union stores are founded and operated. Among the labor union stores in many instances—and this is true, also, of many of the Farmers' Union enterprises—constant effort is made to bring in additional shareholders. To this end, a fixed amount—usually about 2 per cent of the gross business—is set aside for "educational" work to provide an appropriation for the printing of literature and other methods of disseminating co-operative propaganda.



Labor union stores are not federated, nor, as a rule, are the "independents." But in this important respect the Farmers' Union enterprises have taken an additional step along the line of organization. Years ago, in Europe, it was discovered that federation would make for more intelligent management in the local co-operative enterprises, and that along certain lines, general organization, without infringing upon the independence of the local associations, would make for their greater stability. In the Middle West the process of federating the local co-operative associations of the Farmers' Union into state-wide associations was begun five or six years ago, and has resulted in the development of certain well-organized, state-wide agencies.

IN Kansas, and in others of the Middle Western states as well, there are five of these state-wide agencies—a jobbing association; an auditing association; two mutual insurance companies, one for the protection of buildings and merchandise against fire and the other to insure crops against the ever-present Middle-Western menace of hail; and a live-stock exchange.

Each of these agencies is co-operatively operated, but neither participation nor patronage is compulsory upon the local co-op associations. A local association may subscribe stock in the jobbing association and receive a merchandise dividend upon what goods it buys. For the state-wide auditing service a local association—if it desires the service—pays nominal annual dues, calculated to meet the administrative expenses of the auditing bureau. A general office is maintained and ten or twelve traveling auditors spend all of their time auditing the books of the local association. If a surplus collects in the fund of the auditing association, it, too, is rebated to the local associations that have paid dues into the fund.



In the operation of the two state-wide insurance companies the co-operative plan again is applied—although in the case of insurance it is the "mutual" plan. Surpluses that remain after expenses have been paid and losses adjusted are rebated to the policyholders. In Kansas, it was said at the offices of the mutual insurance companies in Salina, the mutual fire insurance company has policies in force totaling $15,000,000. The hail insurance company, it was said, this year would write policies totaling $5,000,000.

The state-wide live-stock exchanges are the latest of the general co-operative agencies to be established by the Farmers' Union. In Kansas the state exchange is now handling—according to Farmers' Union officials—about fifty carloads a week and its gross business, it was said, will amount to about $10,000,000 annually.

But, with all this development of state-wide federation and with the extension of the co-operative organization back along the course of distribution toward the producer, the local co-operative retail store is still the keystone of the co-operative arch. Upon its success or failure as an institution depends the stability of the whole co-operative structure.

There have been failures of co-operative stores in the Middle West. There is no hesitancy on the part of even the most ardent proponents of co-operative business to admit that. "Co-operative stores are inclined to be short-lived," said the manager of one of them; and he, by the way, has been engaged in co-operative retailing for seventeen years. On the other hand, at the state co-op headquarters of

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Kansas in Salina, it was pointed out that only two co-operative stores in Kansas went out of business last year. One of these failed outright. In the case of the other, it was said, the stockholders "just got tired" and wound up their business.

Mismanagement, misguided zeal to return big rebates to customer-stockholders, deliberate competition on the part of some few "individual" retailers here and there to put competing co-op stores out of business—one or another and sometimes all of these factors are blamed for co-op failures.

C. V. Frey, now manager of the Shawnee Co-operative Mercantile Association, of Topeka, Kansas, and for seventeen years a co-operative retailer, gave mismanagement and zeal parallel positions as contributing causes to co-operative failures. But experience, he said, is rapidly forcing mismanagement into second place.

"In the early days of co-operation," said Mr. Frey, "it was an almost universal practice for co-operative associations to place the active management of their affairs in the hands of certain of their own members. Usually the members so designated were not business men. They didn't know the markets and they didn't know merchandise. Many of them didn't know how the books of a store should be kept. They were willing enough and eager enough, but they were untrained. And their eagerness to make the store a success—the measure of success, they believed, was the amounts of the rebate paid to shareholders—frequently overbalanced whatever merchandising judgment they may have had.

"But, with respect to management personnel, the co-ops have profited by unpleasant experience. Today you will find that the average co-operative store is run, not by an amateur, but by an experienced merchant. The co-op associations are going out into the general mercantile field and getting their managers, or they are training their future executives in their own stores.

"Overzealousness on the part of the management, however, is a thing that must still be guarded against. Co-op associations must constantly resist the temptation to try to do too well. Some time ago the manager of a co-op store in another town came to visit me. He asked how things were looking and when I told him we would pay a merchandise dividend of seven or eight per cent he was astonished. 'Why,' he said, 'over at our place we're going to pay a *thirty* per cent dividend!' I made no comment. That store is no longer doing business.

"There is no general rule as to what the merchandise dividend should be, and among the stores it varies greatly. Here, in this particular store and at this particular time, I consider a ten per cent net profit to be enough. I would consider it fortunate if the net should go to twelve per cent. A surplus of zeal on the part of the management, a too-optimistic outlook not only upon the future, but upon the present condition of the store, often leads to other trouble for the co-ops."

Illustrating his point, Mr. Frey went back into history a bit. Before he went to Topeka two years ago to manage the Shawnee store he had served four years as manager of the store of the Johnson County Co-operative Association at Olathe, Kansas, organized, by the way, in 1876 and said to be the oldest co-op store operating west of the Mississippi River.

WHEN Mr. Frey became manager of the Johnson county store in 1914 the enterprise not only was paying no dividends, but had acquired a deficit of about $18,000. In part, this deficit had accrued from unfortunate real estate transactions. The store had been operating four branches, all of which had been found to be losing money. The board of directors had decided to lop off the branches and give the main stem a chance. One of the branches, with an inventory of about $15,000, was traded for a farm with an unsuspected mortgage—at a loss of about $8,000. Another, invoiced at about $7,500, had been sacrificed for $3,000.

"Within the main store, itself," said Mr. Frey, "I found the fruits of too much optimism. For instance, there were false assets—not deliberately falsified, but false, nevertheless—in the inventory. Old merchandise that wasn't worth twenty-five cents on the dollar was being carried at a hundred. The store had no credit and could get no credit. It had been unable to avail itself of market conditions at opportune times and it couldn't take advantage of discounts in buying merchandise. I wrote to the wholesalers and the jobbers for credit. They turned me down; I packed my grip and went to see them. I laid all our cards on the table, told them how we had pruned our business down and what our plans were. And I got the credit.

"When I left the store in 1918, the deficit had been wiped out and there was on hand an undivided surplus of more than $5,000. During the last six months of 1918 that store did a gross business of $105,000, the net profit on which was better than $7,000.

"Overhead is one of the things that the individual retailers hold against us. They say our overhead is too high. Sometimes they even show figures to back up their contention, comparing their overhead with ours. But there is one point in this matter of overhead that the individual retailer is likely to overlook—and I speak from the experience of having kept books for 'independent' stores. That point is the salary of the proprietor.

"The average retailer, you know, is likely to consider his business as a thing not apart from himself. His till he looks upon as his pocketbook. When he needs five or ten dollars he takes it out of the cash drawer. At the end of the year he doesn't know how much he has taken out, nor can he tell how much he'll take out for his personal use next year. Unless the merchant places himself on a fixed salary basis, as he does with his employees, he can't know how much his overhead really is. The very nature of our business forces us to do what every merchant should do—keep books rightly."

The Shawnee Co-operative Association, Mr. Frey's present managerial charge, is a labor union enterprise. To qualify as a participant, a shareholder must be a member of a labor union. With a paid-up capital of $18,000, its shares at $5 each and a limit of 100 shares on the holding of any one stockholder, it is doing a gross business, Mr. Frey said, of about $104,000 a year. The store was established by buying out an individual retailer. The individual's business averaged about $800 a day. The co-op store is doing an average of $985 a day.

Almost without exception Middle West co-operative stores sell for cash and extend no credit. Exceptions to this rule are found in the mining and industrial districts, where workers are paid weekly or twice monthly. But wherever possible the cash plan is enforced. This has led to difficulties that have been met by some ingenious expedients.

For instance, nearly every co-operative store operates a delivery system. Frequently the customer is not at home when the delivery boy, with his wagon or truck, arrives at the house. Under the strictly-cash plan the order cannot be left on the back porch, but must be hauled back to the store, to be hauled again to the customer's home.

To meet this situation two methods have been evolved. One is the coupon-book plan. By this method the store sells books of coupons at $5, or $10, or $25 each. At the customer's option the book is kept at the store and when purchases are made, coupons are torn out. But this plan has its drawbacks in lost coupons and in the disinclination of customers to "bother" with the books.

In the Shawnee store at Topeka Mr. Frey has worked out another, and an

(Continued on page 2

No Statement, No Loan

Why Your Banker Wants to Know Your Financial Status When You Ask for Credit, and How He "Sizes Up" Your Statement

By
BENJAMIN EMERSON CUSHING

"BANKS are certainly getting fussy about their loans," said a merchant the other day. "It's next to impossible to borrow money to carry a fellow's business over the pinches, and you can't get a red cent unless you give a financial statement that reveals a lot of your business secrets and personal affairs that you'd scarcely tell your wife."

This man's complaint is a common one today among merchants.

Many of them are convinced that just because money is "tight" the banks are getting independent as the dickens; that they are entirely too inquisitive—in fact, almost impudent—in requiring information.

Are these merchants right? Are the banks seeking facts to which they are not entitled? Are they meddling too much with business men's affairs? What is a financial statement, anyway? What good is it to the bank? What good is it to the merchant who makes it?

Well, let's see.

John Jones is a retail clothier. He buys goods on credit; the manufacturer asks him few questions. To gain his discounts Jones needs some ready cash. He goes to the bank to get it. The banker says: "Let me see your financial statement." Jones rubs his head. "What's that?" he asks.

The banker shoves into his hands a printed form with what seems like a million questions on it and two columns with blank spaces for figures, one headed "Assets" and the other "Liabilities."

"Got-ta tell you all this?" asks the surprised Jones. "Sure," says the banker. And then Jones begins to wonder why the banker asks this information when it wasn't required by the manufacturer who shipped him the goods.

There are three reasons:

First, the banker as a rule is a better financier than the average manufacturer, and is more careful. That's why few banks fail compared with concerns in manufacturing lines.

Second, the manufacturer makes a profit on his goods and isn't taking a chance equal to the full price of the shipment, while the bank makes no margin on its loans aside from the small item of interest.

Third, the goods the manufacturer sells are his own. The bank's money belongs to its depositors and must be accounted for in full.

This means that banks must know just exactly the risk they are taking when they pass out cash. They must know positively what is behind the loan, not only in business capital, but in business ability and business integrity. The foundation of this knowledge is in the financial statement.

"It is true that banks are becoming more particular about the information they require for their files before they will make mercantile loans," says A. M. Corcoran, vice-president of the Superior Savings & Trust Co., of Cleveland, and a trustee of the Cleveland Association of Credit Men. "But they are not doing this to embarrass clients. They are doing only what experience has taught to be necessary for safety.

"The attitude of some merchants that banks are not entitled to information is detrimental to such merchants themselves. The banker requires no facts beyond what the merchant ought to know for his own good and ought to be willing to have his banker know.

"For a merchant to be able to make a proper financial statement is of the greatest possible advantage to the merchant himself, because:

"First, it shows the banker that he is frank, and there is nothing that impresses a banker more favorably than whole-hearted frankness.

"Second, it shows that he keeps books of account, which is one indication of good business methods that gains the banker's favor.

"Third, it reveals to the merchant himself facts about his condition which otherwise he would not know or would overlook and thus it enables him to obtain an insight into his own status that makes for correction of error before it reaches the serious stage."

Thus it would appear that the merchant, instead of complaining about being required to analyze his own condition for the benefit of his banker, ought to rejoice in the opportunity to diagnose his business for the benefit of himself.

And it works that way, too.

Take a little confectionery jobber of foreign extraction who came into Mr. Corcoran's bank one day for a $300 loan. A small amount, true, but Mr. Corcoran applied his invaluable formula and asked for a statement. The applicant was puzzled. So Mr. Corcoran, as an exponent of the co-operative spirit that is the cardinal principle of members of the National Association of Credit Men, began to ask questions.

"How much is your stock worth?"

"One hundred dollars."

"How much are your sales?"

"One thousand dollars a week."

"How much are your profits?"

"Fifty to one hundred dollars a week."

"How much did you make last year?"

"Three thousand dollars."

"How do you know?"

"Well, I add twenty cents a pound to the cost of the candy I buy, and I sell about three hundred pounds a week; that's sixty dollars profit or three thousand dollars a year."

"Um—I see," said Mr. Corcoran. "Do you pay any rent?"

"Just for a small basement room."

"Have any help?"

Do You Commit These Errors?

CLAY HERRICK, credit manager of the Guardian Savings and Trust Company, of Cleveland, former treasurer of the Cleveland Association of Credit Men and still a member of its board of trustees, has prepared a list of some of the more common errors committed in drawing up financial statements. The list follows:

1. Not signed.
2. Not dated.
3. Period covered by statement not indicated.
4. Columns not footed.
5. Columns footed, but don't agree.
6. Description of items indefinite.
7. No provision for federal taxes.
8. No provision for depreciation.
9. Inventory does not show whether priced at cost or market, or whether anticipated profit has been taken.
10. Items computed in round hundreds of dollars, or without showing cents.

"My sister helps me and I don't pay her much."

"How do you deliver?"

"With a truck that costs me fifteen dollars a week."

"Well, don't you see," said Mr. Corcoran, "that your rent, help and delivery charges cut down your sixty dollars profit at least fifty per cent?"

The confectioner confessed that he never had thought of that before.

As a result of that interview he adopted different methods—methods by which he became familiar with the facts about his business. Before long he was a successful business man and a good customer of the bank.

But they are not all like this.

Clay Herrick, credit manager of the Guardian Savings & Trust Company in Cleveland, former treasurer of the Cleveland Association of Credit Men and still a member of its board of trustees, remembers a merchant reputed very well-to-do. He owned a chain of retail groceries and wanted a loan. Asked the usual questions about his condition, such as appear on a statement, he was unable to answer save in a general way; he could give no definite figures. "I keep no track of that sort of thing," he said, "but I am making plenty of money."

"Sorry, but we will be obliged to have some accurate information before we can make the loan," said Mr. Herrick. He then tried to show the man that adoption of suggested methods would react to his own advantage. But the grocer was unconvinced. He took the position that it was none of the bank's business; haughty and offended, he left the office.

The days came and went. The grocer wouldn't change his methods and he couldn't obtain bank accommodation. He lost chances to save discounts and to take advantage of market conditions—chances that he could have utilized had he had the ready cash. Competitors gradually encroached upon his business. His stores were forced to close, one at a time, until finally all were gone and he was a business failure.

These are typical instances.

Very well, then, how is John Jones, retail clothier, to go about it to prepare the financial statement that his banker requires and that he should compile for his own good?

There are three fundamental requisites:

1 Books of account.
2 Cost system.
3 Inventory.

None of these needs to be elaborate. In a small business they can be very simple, indeed, and any credit man will gladly give counsel as to how they may be installed. But they must exist in some form. For otherwise how can Jones tell in his financial statement how much are his assets and how much his liabilities? He must know first how much he has, how much he owes, how much he takes in and how much he spends. He must know how much his goods cost and what he sells them for.

AS we get into these details we see again how valuable, not only to the banker but to Jones himself, is such information about Jones' business.

All right; Jones installs his books, his cost system and his inventory. He gets the facts. He fills out his statement and takes it to the bank. What does the banker do with it then? What ought it to show to gain the loan that Jones desires?



CLEVELAND CLEARING HOUSE ASSOCIATION FORMS

FINANCIAL STATEMENT — CORPORATION

The Cleveland Manufacturing Company

Manufacturing Heavy Machinery — 8711 East 72nd Street

TO THE SUPERIOR SAVINGS & TRUST COMPANY, CLEVELAND, OHIO.

CONDITION AT CLOSE OF BUSINESS July 1 1920

Prepaid Charges

Figure 1. This statement provides a good example of arrangement and shows a proper ratio between assets and liabilities

"The theory is," says Mr. Corcoran, "that a merchant should have enough money when he starts, or at any stage, to buy his permanent fixtures and equipment and pay for his original stock. That's his investment. Where bank credit comes in is when the dealer sells his stock and buys new stock to replace it. The bank is called upon to finance the turnover only—to carry the peak loads, to bridge the gap on seasonable purchases and sales. The bank tides the merchant over until his money begins to come in on sales of his original stock. If the borrower is a manufacturer the bank advances money to pay labor and production costs for turning out the finished product after raw material has been paid for by the manufacturer. The loan is then repaid from the proceeds of the sale of completed goods."

In other words, Jones must start on his own resources; the bank will help him to grow and keep going if he shows enough ability and integrity to warrant it. For be it known that the three C's of Credit are Capital, Capacity and Character. To be successful and to enjoy the favor of his banker a man must possess all three.

So the banker examines Jones' statement. What does he look at first? What does he consider the important features?

The first thing he will do will be to compare the total of "quick assets" with the total of "quick liabilities." These totals, the bank credit man will tell you, should show the time-honored ratio of two to one to constitute a proper credit risk. That is, there should be twice as large a sum in the "quick assets" column as in that of "quick liabilities."

Of course this two-to-one ratio is not invariable. Other items in the statement have their influence and in some lines of business and under certain contingencies a higher ratio may be required or a lower one tolerated. Individual circumstances have a bearing. Locality, market situations and trade conditions likewise play a part.

That's all right, says John Jones, clothier, but what are these mysterious "quick assets" and "quick liabilities?" Mr. Corcoran explains again. "Liquid assets, as they are also called, consist of cash on hand, accounts

receivable, merchandise, Liberty Bonds and marketable securities. Current liabilities, which is another term for 'quick liabilities,' include notes payable, accounts payable, bills for merchandise and federal taxes. This last item is one of importance these days and must not be overlooked. A merchant must prove by his financial statement that he has made proper provision for meeting federal taxes."

Naturally a statement shows a great many other things besides quick assets and liabilities, for neither of these headings includes such fixed assets as buildings, machinery, certain stocks, bonds and investments of various sorts, nor such liabilities as mortgages, bonded debt, capital stock and reserves. The statement reveals these items and also a mass of other detail according to the form used.

All of which is sufficient proof that facts must be at hand before a statement will run the banker's gauntlet and gain a loan, for the merchant who tries merely to go through the motions of filling out a form will meet the same snag struck by a certain merchant who went to his bank with a statement showing that in round figures his assets exceeded his liabilities by $20,000.

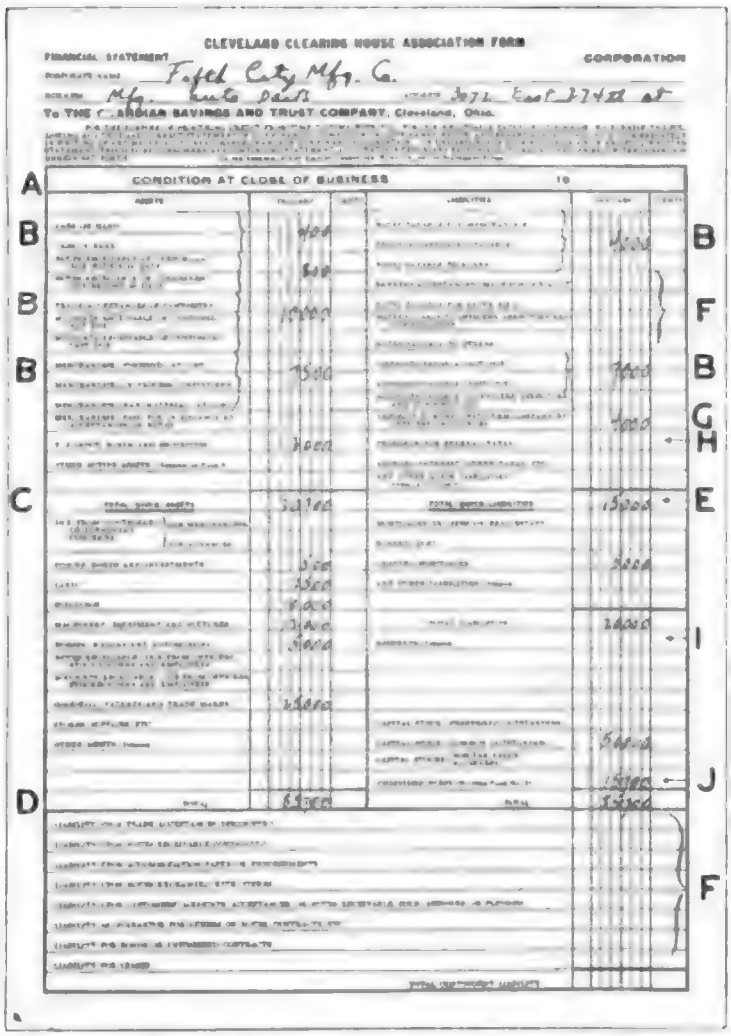


Figure 2. A good example of "how not to do it." The letters at the sides of the statement, explained by the following code, point out the shortcomings of this statement: A, not dated; B, should be itemized and made definite by separation; C, round figures, indicating guesses; D, error in addition; total is $10,000 too much; E, cents not shown; F, items left blank; should write in "None;" G, this money too easily withdrawn for safe condition; H, no provision for federal taxes; I, no reserves; J, total too large by $10,000 to balance correct sum of assets

"The ratio is all right; the statement looks good," said the banker, "but I can't give you the money."

"Why?"

"Because your figures are guesses. Get an accountant to go through your affairs, prepare an accurate statement and come again."

The merchant was wise and acted on this suggestion. The second statement showed him that his assets exceeded his liabilities by only $15,000, but to the merchant's surprise he obtained the loan.

Why? Because the round figures of the original statement virtually proved to the bank credit man that all the items were estimates and he couldn't afford to gamble in the dark. The second statement, he knew, was accurate and dependable, even though it showed a smaller margin of safety.

This tendency toward round numbers is a common fault, but it is only one of many errors in drafting statements. John Jones, retail clothier, found that out when he took his statement to his banker for the first time. And what Jones discovered is a good thing for others to know.

Mr. Herrick of the Cleveland Guardian Bank, who for years was a certified public accountant and knows a statement backward as well as forward, has prepared a list of some of the more common errors. (See list on page 11.)

IN explanation of these errors Mr. Herrick says there is a space in the statement not only for the date when signed, but for the period covered by the figures. If this place is blank the banker can't tell whether the statement applies to a calendar year, a fiscal year or some other year, and the time is highly important, especially where seasonable goods or changing markets are involved.

Again Mr. Herrick explains that the statement provides for "other active assets" and "other quick liabilities" and says "itemize on page—." If these are not itemized they are never allowed as quick items and the maker of the statement suffers for his failure to give these details.

"Some of the mistakes made are the fault of bookkeepers," says Mr. Herrick, "but often when you return a statement for correction, it comes back still incomplete or full of errors, and you conclude that either the bookkeeping system in use is at fault or inefficient men are in charge. In either case the statement inspires doubt.

"In the last two years federal taxes have complicated statements and in many cases have delayed their filing with banks. Some firms have taken advantage of this situation to withhold statements deliberately. In consequence, bankers are suspicious of those who delay their statements. It indicates unwillingness to be frank and hurts the credit of those that practice it.

"Anything that weakens confidence in the moral risk is a very serious thing. If a man tells you frankly that he has had a bad year and is not in as good shape as he was, you will lend him where you wouldn't let the fellow have it who tries to cover up such facts.

"If a man is straight and you know he is straight, you can take his figures and rely on him. If he is crooked, no matter how good a statement he may make, you will discount it."

The tendency nowadays is toward standardization of statement forms. John Jones, retail clothier, found that out, too, when he first applied for a loan. In Cleveland all Clearing House banks use the same form, the practice having been in vogue for years.

These forms are the result of long study and are chiefly the work of Mr. Francis Coates, Jr., examiner of the Cleveland Clearing House Association. He was aided in preparing them by bank credit men under the leadership of William Tonks, assistant cashier of the First National Bank and president of the Cleveland Robert Morris Associates, or bank credit men's division of the National Association of Credit Men.

How these forms look, and two sample statements employing them, are shown in Figures 1 and 2.

The statement in Figure 1 was supplied by Mr. Corcoran of the Superior Savings & Trust Co., the firm name

(Continued on page ...)

From Five to Eleven Times

That's How Often You Must Repeat the Outstanding Selling Points if You are to Close a Sale Quickly

By FRANK E. FEHLMAN
President Churchill-Hall, Inc.
New York City

ANY ONE who has visited an old soldier's home or who has listened to a crowd of old sailors telling stories of their youth, or of the active period in their lives, must have been impressed with the way each story improves with repetition. The same is true of the boy or girl who witnesses an accident or sees a menagerie for the first time. If the child saw eleven elephants it is very likely she will say she saw fifty or a hundred elephants and the more she repeats the story the more she gives way to her imagination, until finally she may tell of having seen five hundred elephants.

It seems to be natural for all of us to add a little to any story each time we repeat it. The law of repetition is a strong one and it has been only in the last few years that educators have paid any serious attention to the possibilities of educating students more quickly through an understanding of this basic law.

In selling, repetition is necessary but exaggeration will kill any sale. Repeat, but stick to your story.

A very successful hardware dealer in Iowa who has always been a crank on razors, razor strops, safety razors and cutlery, told me that not a week goes by but that some person, in buying a certain well-known safety razor, asks this question: "Well, Mr. Miller, this looks like a good proposition; but how in the world can you strop the razor and how can you hone a blade so thin?" This in spite of the fact that for years the makers of this razor have repeated in national publications and local newspapers this same slogan: "No stropping; no honing."

Every day thousands of salespeople lose sales because they fail to repeat the outstanding points in favor of the merchandise they offer for sale. Most retail selling transactions occupy but a few minutes. When a man buys an automobile the transaction requires days; the same statement applies to almost anything costing more than $100. But in small transactions, such as selling a necktie, a new type of hosiery in which a new grade of cotton, silk or wool is introduced, or a new breakfast food or coffee—transactions that require from a minute to not more than ten minutes—it is very important that we cover the ground quickly and thoroughly and that we repeat the outstanding sales arguments often enough to be sure that the customer knows exactly why the merchandise is better than competing merchandise, or why it is a good thing to buy.

How often should we repeat a selling argument? Let us look at the following table:

Repeated 11 times, 30 seconds apart.
Repeated 11 times, 45 seconds apart.
Repeated 10 times, 1 minute apart.
Repeated 8 times, 2 minutes apart.
Repeated 6 times, 5 minutes apart.
Repeated 5 times, 10 minutes apart.
Repeated 4 times, 20 minutes apart.
Repeated 4 times, 30 minutes apart.
Repeated 5 times, 1 hour apart.
Repeated 6 times, 8 hours apart.
Repeated 6 times, 24 hours apart.
Repeated 7 times, 48 hours apart.

Here we have the report of a very careful and scientific test conducted by a psychologist. He gave a short lesson to different groups of people. In some cases he read a short poem; in other cases a statement of facts. With the first group the lesson was repeated every thirty seconds. It required eleven readings of this No. 1 lesson before the student had it perfectly memorized or understood all the points advanced in the statement. Lesson No. 2, which was repeated every forty-five seconds, also required eleven readings. The same lesson, when repeated at intervals one minute apart, required but ten readings, while the same lesson repeated ten minutes apart required but five readings. The same lesson twenty or thirty minutes apart was memorized after having been read four times.

IN other words, if this lesson happened to be a verse from a popular song, a stanza of a poem, or ten statements regarding the value of investing in Liberty Bonds, the student was able to hear, remember and repeat what he heard much more easily when the lessons were given twenty or thirty minutes apart, than when they were given thirty seconds apart. Now as we pass the point of least effort and go on down the scale, we find that if a lesson is repeated at intervals of one hour it requires five readings, at intervals of eight hours it requires six readings, while at intervals of forty-eight hours it requires seven readings.

What does this table show us in our every-day selling problems? It shows us that when a customer is buying an article that must be sold in from one minute to ten minutes' time, it is necessary for us to repeat the outstanding selling points from five to as many as eleven times, if we expect the customer really to know what we have said.

In the house furnishings department of a large western department store, one year ago, there was a demonstrator who sold a bath appliance. The article retails at $7.50 and is not an easy thing to sell. This demonstrator was one of nine who attended a four-day selling school conducted for the purpose of showing them how to sell this appliance. After a two-hour discussion of the factors which they thought were essential in making a quick sale, the class decided that the selling canvass should be based on these four outstanding ideas:

1. Here was a new way to bathe. It replaced the old shock bath, the hot bath, tepid bath—all forms of the old-fashioned tub bath.
2. It was a patented article and could not be obtained at all stores because the sale of the article was limited to a few distributors.
3. It had certain mechanical features: it was all brass, heavily nickeled, wouldn't rust, could be attached to any tub in from one to two minutes and was made to last a lifetime.
4. Its initial cost was saved within three to six months because it consumed less hot water; this was found to be quite an item where the water was heated by a patented heater.

These four outstanding arguments constituted the selling canvass. The first statement of these four features required no more than a minute or a minute and a half. If the customer or the "looker" still remained, these four selling arguments were repeated more leisurely, but nothing new was introduced. More emphasis was placed on each point and in some instances the second statement would occupy as much as five or ten minutes, the

greatest emphasis being placed on the fact that this was a new method of bathing—one that represented the latest improvement in a shower bath.

Secondary features, such as absence of the curtain, elimination of splash, ease of operation, cleanness of tub and bathroom floor, were gradually introduced, but they were always tied on to one or another of the four main arguments.

To me the result of this standard canvass was a great surprise. This one demonstrator jumped her weekly sales from five to thirty-one showers at the end of the first week and maintained an average of twenty-two sales a week for eight months. We were blindly following the law of repetition. The facts embodied in the foregoing table were not then known, but it is easy to see how these figures check up with our own experience in selling this appliance.

Excepting members of the leisure class, or the person who is getting ready to invest more than $100 in some article of wearing apparel, or some luxury or some convenience which he is going to use for a considerable length of time, customers as a rule are in a hurry. Don't let any customer rush you to the point where he forgets what you first told him; you have got to repeat what you say if you finally sell your goods.

A piano salesman, a man who taught me more about retail selling than any other man I have ever known, demonstrated this law to me more than ten years ago in Joliet, Illinois.



When a customer is buying an article that must be sold in from one minute to ten minutes' time, it is necessary for us to repeat the outstanding selling points from five to as many as eleven times, if we expect the customer really to know what we have said

It was during the month of August, the weather was very warm and business was dull, but pianos had to be sold. He was known as a "cold closer," a man who calls on a customer but once and sells him. I never would have believed until I saw this man that it was possible to sell merchandise so quickly and so satisfactorily, but he convinced me that in many cases it could be done.

He came to my store, asked for our list of "prospects," asked for a horse and buggy and suggested that I drive him to the first customer on his prospect list. The customer lived more than a mile and a half from the store. It was shortly after lunch when we arrived at the customer's house and found it locked.

A very obliging neighbor stepped out on the front porch and stated that Mrs. Thorn was not home. Mr. Jackson, the salesman, asked her if she knew where Mrs. Thorn was; she replied that Mrs. Thorn and her husband were down at the Powell Piano Company buying a piano. He asked her if she had a telephone and if he could use it. She readily consented and even went so far as to call up the piano store and get Mrs. Thorn on the wire.

Mr. Jackson asked Mrs. Thorn to make no reply to his talk, but listen intently to what he had to say. He explained why he was there and suggested that she and her husband hold up the buying of their piano and at least come to our store, see the pianos we had for sale and then decide after she had talked with him personally. She agreed to do as he asked. We thanked the obliging neighbor, jumped into the buggy, drove back to the store and arrived a few minutes before Mrs. Thorn and her husband walked in.

This was about 3 o'clock in the afternoon, with the thermometer registering around 100. At 6:45 we had sold the piano and had a signed contract.

As I recollect this sale I can remember only three things which this piano salesman said, and he repeated these three things in fifty different ways during the three hours and forty-five minutes he spent in selling that piano:

1. He gave them a complete history of the makers of the piano and emphasized the millions that were back of the factory and the tremendous resources of the organization.
2. He showed them the mechanical construction of the piano from top to bottom, but he didn't play on the piano. As a matter of fact he could play only a few chords himself and whenever the customer attempted to play or pound the keys he interrupted her by taking off the front of the

(Continued on page

A Business Run By Charts

How Many People Buy Candy? What Kind Do They Buy, and Where and When and How Much? Ask Cross—He Knows

By LEONARD H. ALLEN

CONSIDER, FIRST, a series of letters, set down here in their chronological order:

Cleveland, O., June 1, 1920.

Mr. J. Lee Cross,
Cross Candy Company,
6509 Hough Avenue, City.

Dear Mr. Cross:

Yesterday was my wedding anniversary. I went into your Euclid Avenue store at 12th Street, intending to buy a box of candy. But I didn't buy the candy in your store; and that is the reason for this letter.

I stood before one of the counters, the only visible customer in the store. A young woman, apparently a saleswoman, was in conversation with two other young women, whom I suspected to be merely visitors of hers. This impression was confirmed when another young woman came in, and the young woman behind the counter moved over to talk with the newcomer, and then, when the latter went out, returned to her original conversation. Me she threw one appraising glance; then she went on with her talking.

Still I stood there, with my money in my hand, until I became convinced that I was not to be waited on if I stood there all day. And so I took my warm ten dollar bill and went to another store.

This letter is not a kick. Rather, it is intended to be a bit of a suggestion to a merchant who, I happen to know, is trying to raise the standard of merchandising practice.

Very truly yours,
THOS. V. HENDRICKS.

The second letter of the series was a mere note, delivered by personal messenger, and accompanying a five-pound box of candy. On the envelope of the note was written: "To Mr. Thos. V. Hendricks, from The Culprit." The note read:

Dear Mr. Hendricks:

Please accept this as an apology, in lieu of words, for my uncalled-for neglect of you the other day. I have no excuse to offer, only that it was poor salesmanship on my part. Since I am nothing more than Jay Lee's sister, he can't fire me. But I beg you not to hold my neglect of you against him, and I assure you it will not happen again.

Respectfully,
LORRAINE CROSS

The third letter was addressed, not to J. Lee Cross, but to Miss Lorraine Cross, and read:



"It is a fact that, all things being equal, more people walk on the south side of an east-and-west street than walk on the north side."

My Dear Miss Cross:

"A soft answer turneth away wrath," so does a boxed-and-beribboned one.

Even the pique of an irate letter writer on the subject of sales ethics fades before the wholesome cordiality and good sportsmanship of your "come-back."

I'm afraid that even *my* nerve, which never up to this time has failed me, would have halted before the deed, had I the slightest suspicion that I was hurling my verbal harpoons, good-natured though they were, at The Boss's sister. But your reply confirms what has become a rule of life with me—the belief that good humor is always the best corrective for a fancied hurt—and, inasmuch as The Lady, who was the chief victim of the wedding anniversary, has become, by virtue of the boxed-and-beribboned "apology," the chief beneficiary of the incident, let us call it closed—

No, not closed—for I want to prove that I am as good a sport as Jay Lee's sister or Jay Lee, himself, and if you'll mark your calendar so as to call my attention each year to the fact that June first is my wedding anniversary, I'll give continuing proof that good humor and good sportsmanship not only turn away wrath, but turn the wrathful one into a permanent customer.

Sincerely yours,
THOS. V. HENDRICKS.

Now it happens that I saw those three letters before I ever saw J. Lee Cross, Cleveland candy manufacturer and proprietor of a chain of Cleveland candy stores. Through a personal acquaintanceship I saw the entire series. And here, I exulted, was a story of personality-in-business. I hunted up J. Lee Cross and I found him in his office at his candy factory. With the impression of those letters still fresh in my mind, my first question to him was:

"What does personality, the 'personal equation,' have to do with your way of doing business?"

"Not a darned thing," said J. Lee Cross.

"But," I countered, "how about the Hendricks incident?" And I told him about my seeing the letters.

"Oh, that?" he said. "That *was* funny, wasn't it? We had a lot of fun out of that. But it was an extraordinary occurrence. It's very seldom that personality crops out in that way in our business. As a rule, you see, we don't know our customers, and their individual personalities never are revealed to us. They just come into our stores to buy candy, and we sell it to 'em, and they go out. That's all there is to it."

"Well, then," I demanded, baffled, "if humanity, or personality, or the personal equation have nothing to do with your business, what does? How do you run your business?"

"Selling candy in my way," said Cross, "is simply a matter of putting the product where it's easiest for the people to reach it. It's perfectly simple. If you put candy where it's easiest for the largest number of people to reach it, why you'll just naturally sell the most candy. It's as mathematical and exact as an algebraic equation. You put certain factors of certain known values together, and the thing's just bound to work out, in spite of you."

"But does it work in business?" I asked.

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"Well," said Cross, "it's giving us fifty turn-overs a year."

And then he showed me how the thing was done, how the values in the Cross equation of business have been arrived at, and how they are put together.

Charts! Charts the size of business letterheads and charts nine feet long; charts in leather-covered binders, charts on the office wall, and more charts, seemingly, in the brain of the man that made the visible ones! The business of the Cross Candy Company is run by charts. No ship that ever sailed an open sea was guided more meticulously along her plotted course as the navigator laid it out in the chart-house than is this business directed by the charts of its chief; and no sky-scraper or far-flung bridge-span of concrete and steel ever was planned and put together more closely to survey and blueprint than has this fifty-turn-over business enterprise been built.

"How long," I asked, as I glanced for the first time over those charts and saw their detail and their mass, "how long have you been in the candy business?"

"That's a funny question," said Cross. "I've been making and selling candy through chain stores only since 1917. But I've been getting ready for this business all my life—or, rather, since I left 'prep' school. Ever since then I've always wanted to run a chain of candy stores, and I've never wanted to do anything else. Every job I've had I have taken with one end in view—to fit myself to run a chain of candy stores. So, you might say, I've been in the business all my life. These charts—or some of them—are the product of years of observation."

The "mathematics" of the Cross plan of selling candy start back with the location of the store, with "putting the candy where it's easiest for the largest number of people to reach it." And this, really, is pure arithmetic. There are certain rules of general averages that may be taken as a basis.

"For instance," as Cross explained it, "it is a fact that, all things being equal, more people walk on the south side of an east-and-west street than walk on the north side. That's because, in the summer, the south side is the shadier. On the other hand, in the winter the footing on the south side, where the sun doesn't strike the sidewalk, is more likely to be firm; while the sidewalk on the north side, exposed to the sun, is likely to be slushy and uninviting. For the same general reasons, more people walk on the west side of a north-and-south street than use the east side."

But these general rules, alone, are not permitted to dictate the location of a Cross candy store. Actual counts of passersby at different spots and comparisons of these results constitute the real guide.

"Our charts on the subject of traffic," Cross explained, "were made up from observation, from actual counting. They tell us exactly what percentage of a given number of people passing a store will stop in, and they tell us just how much those that stop in will spend in the store per capita."

WITH the store located in the most strategic traffic spot available, its education in Cross mathematics has just begun. There is the matter of its interior arrangement. In one of these chart-books on Cross's desk is the map of a storeroom—any storeroom. Of the usual store properties, only the rudiments—the walls, of course, and the display windows and entrance—are shown. But the floor plan, from the front windows to the rear wall, is divided off into small squares. Into each of the squares is written a figure, an index. And the index represents the selling value of that particular area, as compared with other areas. The indices range from 1 to 3½.

Observation has established these area values. And the indices, in turn, have established some interesting facts. For instance, they show that the best place in the store for a counter, the feature spot, is at a point along the right-hand side, about twenty feet back from the entrance; and that the next best spot is at a point on the opposite side of the store, about forty feet back from the entrance. This, as Cross explains it, is because the flow of human traffic through the store forms two little eddies at these spots. There the current slows down and persons stop, then look, and then buy.

But these index figures have to do with matters other than the location of counters. For instance, they are consulted when leases are made. "By the floor plan, you see," Cross explained, "the first ten feet of a store, back from the windows, represents 24 per cent of the selling value of the entire store area, the next ten feet, 16 per cent; the next ten feet 12 per cent, the next ten feet, 10 per cent, and so on in decreasing ratio as you go back until you approach the rear end, where the last ten feet represent 9 per cent. Thus, in making a lease, we know exactly and literally how 'deep' we can go, economically."

And then the store, located by actual count of passersby, its lease made by chart and its counters placed by map, begins to sell candy by prearranged plan. Cross knows how many pounds of candy it will sell in proportion to the number of its passersby—and he has counted the passersby. He knows how many pounds of different kinds of candy it will sell; and if he is doubtful about this latter detail, he feels the merchandising pulse of the store for a few days by watching the tabulation of

(Continued on page 22)



"Every job I've had I have taken with one end in view—to fit myself to run a chain of candy stores."





The value of one display is enhanced by the mirror and powder puff; that of the other by the illustration and reading matter





Two displays that show marked individuality. The quality of the merchandise is emphasized by appropriate settings



A transparent section in the container shows the product to good advantage



The single bottle is attached to a piece of wall board, supported by an easel



Light itself has great attention value, and the effect of its rays upon bottles of perfumery or toilet water is always inviting



The old method of displaying bottled goods. Consider the amount of the inactive investment and the possibilities of loss by breakage. Contrast this mountain of bottles with the single bottle displayed in the picture in the middle of this page. Displays like this one also slow up service by hindering the showing of merchandise and the wrapping of packages. They form a barricade between the customer and the salesman, and they hide a considerable portion of the goods on the shelves

Counter Displays That Count

Thin Displays Reduce the Inactive Investment, Reduce the Loss by Breakage, and Promote and Facilitate Sales

By OTIS R. TYSON

THIS is to be a story of counter displays that lead the simple, but artistic, life; a story describing the application of thrift in counter displays by a drug store chain that utilizes approximately 6,000 square feet of glass show case tops and 4,000 square feet of counter space for displaying merchandise. In passing, it may be worth mentioning that a counter display in one of these stores bids for the attention of a daily average of 1,500 people, and it is only reasonable to assume that these people—or the most of them—are in a buying mood. Consider further that each of the stores in this chain maintains an average of twenty-five counter displays, and it becomes apparent why these displays deserve the attention they are now getting.

The story begins with the time when the conventional counter display was a stack or pyramid of merchandise bearing a price ticket. Some of the men in the organization had periodically advocated simplified, or decorative, displays, but nothing tangible resulted until the folly of the old plan was revealed by accident. The general manager was trying to locate overstocks. One of the channels of his investigation led him to the inventory sheets, and for the first time he realized how large an amount of merchandise was piled up on counters and show cases for purposes of display.

The manager did not wait to make up a grand total. The figures on two or three stores sufficed to convince him that he had located a considerable part of the inactive investment. A glance through the binder of breakage reports revealed another result of the old condition; he found that much of the loss from breakage and damage, which totaled a considerable sum every year, could be attributed to the bulkiness of counter displays. But the most impressive figures, of course, were the estimates of the amounts invested in display merchandise in the more than thirty stores that the company operates.

So the order for simplified counter displays went out, much to the delight of those display managers that had been advocating the substitution of artistic simplicity for bulk. And as the displays embodying the new idea were gradually installed, the faults of the old system, aside from the unnecessary investment in merchandise, became more and more obvious by comparison. Some of these faults are the following:

Bulky displays form a barricade between customer and salesperson to the certain detriment of selling efforts. Concentration of effort is not possible when salesperson and customer are playing hide-and-seek in a maze of pyramids of bottles and stacks of talcum powder. Apparently the builders of bulky displays never knew when to stop.

Bulky displays hide the great variety of merchandise displayed on the shelves. A glance at these assortments often helps the customer recall something forgotten for the moment but really needed at home.

BULKY displays slow up service by hindering the showing of merchandise and the wrapping of packages. They hamper the man behind the counter and compel him to be something of a juggler and sleight-of-hand performer as well as a salesman. In displaying tooth brushes he is too often compelled to balance the tray in mid-air for lack of counter space; in wrapping a package he may be compelled to wrestle with it in the narrow space between a pyramid of bottles and a mountain of packages.

Bulky displays reduce the possibility of individuality. They all look discouragingly alike.

Thin displays emphasize these faults by comparison. They reduce the merchandise materially; usually a half dozen bottles take the place of four or five dozen. Obviously the loss from breakage is reduced in proportion to the amount of merchandise handled.

Thin displays give the goods on the shelves a chance to sell themselves and speed up the operation of selling. When the company decided to install them it adopted rules governing dimensions. The glass show cases are uniformly forty-two inches high. Displays are limited to twenty inches in height, making a total of sixty-two inches to the peak of the display and bringing it well above the "eye-line" of the average person. There must be an open space of thirty inches between displays, which provides ample room for showing merchandise and wrapping packages.

Thin displays open up an unlimited field for individuality; they provide the chance to emphasize quality by enshrining the merchandise, so to speak, in appropriate settings. Take, for example, a bottle of high-grade perfume; consider how a boquet of fresh flowers advertises the perfume and awakens the desire of possession. If fresh flowers are not available, artificial ones provide a good second choice. The function of bath crystals may well be visualized by means of an illustrated background; the display not only educates the customer who never has used bath crystals, but suggests a purchase by appealing to the instinct of imitation.

Thin displays facilitate the grouping of co-related merchandise. A powder puff enhances the value of a display of face powder. A joint display of tooth brushes and dental cream is always effective. There is almost no limit to the possibilities of thus directing the mind of the customer to additional articles.

Thin displays can be effectively linked with national advertising, the merchandise supplementing the trademark in the decorative scheme and the slogan on the explanatory price-card. Likewise, thin displays may be used to good advantage in backing up the advertising and window displays of the store itself.

Thin displays can be shown under the soft rays of an artistic, indirect electric light. The light itself has great attention value, and the effect of its rays upon certain merchandise—fine perfumery bottles, for example—is always inviting.

Thin displays improve the general appearance of a store. They lead the way to individuality through color schemes and variety of design; they eliminate that stocky, warehouse look and substitute an air of refinement that is always an asset.

For reasons such as these the same general manager that brought about the installation of thin displays for strictly economic reasons now views them from an entirely different angle—that of promoting and facilitating sales.

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"Some" System—and It Works

By WILLIAM G. CAMPBELL



Office of the Credit Bureau of the Associated Credit Men of St. Louis

LET'S begin with drama—two playlets. The first, technically, may be styled a comedy drama, on the ground that it has no tragedy. Admittedly, it isn't uproariously funny. It never would succeed as a modern-day farce. But, since it doesn't kill off any of its characters in the fourth act or in the vestibule, it fulfills the old-time, classical idea of a comedy. Very well, then:

A COMEDY DRAMA

In Two Acts

Scene: Nugent's Department Store, St. Louis, Mo.

Time: A few months ago.

Characters: The Credit Man of the Store and a Well-Dressed Stranger.

Act I

(*The Credit Man is seated at his desk. Enters, in extreme haste and great agitation, the Well-Dressed Stranger. He approaches the Credit Man, grins genially and apologetically, after the fashion of a Regular Fellow caught out of luck.*)

Well-Dressed Stranger—I'm in a devil of a predicament and I've come to you to help me out. I've just had my overcoat stolen down at Soandso's restaurant. The police are looking for it, but I've got to catch a train for Chicago in twenty minutes on a doggoned important appointment. I've simply got to have an overcoat in this kind of weather, and I haven't got the cash with me to pay for one, nor the time to make other arrangements. You don't know me, but my name is Wilbur T. Holliday. I live in Kansas City and I travel for Wilkerson's, wholesale paints. Here's my card and here are some letters and telegrams addressed to me. I want your store to sell me an overcoat on account. Any kind of an overcoat, almost, will do, but I've simply got to have one on a day like this.

Credit Man—Know anybody in town?

Stranger—Not a soul. You see, St. Louis isn't in my territory. I just stopped off here for an hour- long enough to get a shave and a bite to eat.

Credit Man—We'd like to help you out. You look—er—all right. But in these matters, you see, we have to be a bit careful. If we had a little more time

Stranger (*interrupting and flashing his genial grin*)—That's just it—there isn't time. I know how careful you have to be in ordinary cases. But I don't look like a crook, do I? And this is an extraordinary case, in which I'm just asking you to help me out of a hole.

Credit Man—I'm sorry, but I'm afraid we can't help you out.

Stranger (*still smiling genially*)—'S all right, old man. I know. Business is business.

Exit Center

Curtain

Act II

Scene: Famous & Barr's Department store (another store, you see) in St. Louis.

Time: Same day as Act I, but about two hours later.

Characters: The Credit Man of the Store and The Well-Dressed Stranger.

(*The Credit Man is seated at his desk. Enters, in extreme haste and agitation, the Well-Dressed Stranger. He approaches the Credit Man and grins, genially, after the fashion of a Regular Fellow caught out of luck.*)

Well-Dressed Stranger—I'm in a devil of a predicament and I've come to you to help me out. I've just had my overcoat—

Credit Man (*interrupting*)—Oh, yes. I've been expecting you. You've just had your overcoat stolen down at Soandso's restaurant. Your name is Wilbur T. Holliday and you travel for Wilkerson's, wholesale paints. You look all right, my friend, and you're clever. But the thing that's against your case is that you presented it first at Nugent's about two hours ago and you've told it in four other stores since then. Your train, I think, must be about ready to leave.

Stranger (*still smiling genially; you've got to hand it to him, he was a good sport*)—'S all right, old man. But listen, you birds have got *some* little system in this town.

Credit Man (*returning the grin*)—It works.

Curtain

Disappointingly, for some readers perhaps, our second playlet, too, lacks bloodshed. It has no tragedy and, possibly, little comedy. We can't give it much as a bit of dramatic writing. However:

ANOTHER COMEDY DRAMA

In One Act

Scene: Department store in St. Louis—any store will do.

Time: The present.

Characters: The Credit Man of the Store and a Well-Dressed Woman

(*The Credit Man is at his desk. Well-Dressed Woman Stranger enters. She approaches the Credit Man. She smiles, just politely.*)

Woman—I am Mrs. A. J. Green, of

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Suberben. I would like to open a charge account at your store.

Credit Man—Ah, yes, Mrs. Green. I believe that can be arranged. Have you accounts with any other stores in the city?

Woman—Yes, I have an account at Stix's.

Credit Man—Just a moment.

(*The audience will excuse the Credit Man while he steps off stage. In a moment he returns.*)

Credit Man—As I was saying, Mrs. Green, I believe we can easily arrange to open an account for you. Did you say that you have an account with the Stix, Baer & Fuller Company?

Woman—Yes, I have an account there.

Credit Man—And have you accounts at any of the other stores?

Woman—No-o. No, that is the only one.

Credit Man—That's strange. Mrs. A. J. Green, of Suberben, seems to have accounts at four other stores in the city. I have the names of the stores on this slip of paper. Oddly enough, they are all excellent accounts, too. Don't you suppose that the *real* Mrs. Green would have referred to those, too?

Quick Curtain

On our second playlet the curtain was dropped quickly, because otherwise it would have been necessary to snarl up the action by introducing several new characters, including the store detective and a policeman, and then to change the scene to a court room, with a judge and a bailiff and everything, and finally to the women's ward of the city jail.

Our two playlets are not the products of fictionizing fancy. They were real happenings, picked out of a never-ending succession of such happenings that constantly are unfolding themselves within the ken of the Associated Retail Credit Men, of St. Louis, and the "business end" of their association, the Credit Bureau.

From the viewpoint of the professional charge-account crook and from the viewpoint of the non-professional, but chronic, deadbeat, St. Louis is a "tough" town. Just one thing is making it "tough." The well-dressed stranger, with the stolen-overcoat story in our first playlet, was cunning enough to see it. It was system. He called it "*some* system."

And yet it is a simple system. It is so simple that it scarcely can be called a system—the accurate word is method. Co-operation among the 440 merchant-members of the credit association, a central bureau, or clearing house for the transmission—and the tabulation—of credit information and an arrangement of direct-wire telephones: that is the equipment of the plan.

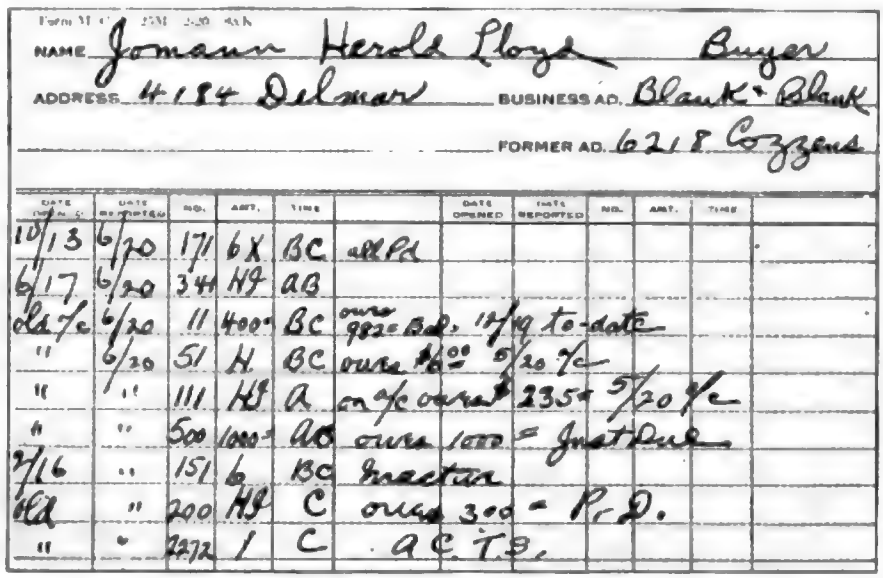
WHEN the well-dressed and ingratiating, but overcoatless, stranger walked out of Nugent's store the credit man turned to a telephone, called the central bureau and reported the case. Within less than a half-hour—and more likely within ten minutes—every other store in the city represented in the association had been warned and was on the lookout for the man with the winning smile and the plausible story. He didn't know it, but he hadn't a chance in the world of getting an overcoat from any one of them.

When the well-dressed, but masquerading, "Mrs. A. J. Green, of Suberben," admitted to the credit man of the other store that she knew of but one account that she had with a St. Louis store, she might as well herself have pressed the button for the store detective. For, when the credit man excused himself in the course of the interview, he, too, did some telephoning. He called the credit bureau, and when he came back from the 'phone he had a list of all the accounts of the real Mrs. Green. He knew that all the accounts were gilt-edged and, when the stranger insisted that there was but one, she betrayed herself to the credit man as an impostor.

Later, in the custody of the police, the woman admitted that she was a professional charge-account operator. She confessed that she had learned that the real Mrs. Green had a charge account at the one store and that her credit was good there. What she hadn't learned—couldn't have learned without so much difficulty that it probably would have proved impracticable—was the entire extent of Mrs. Green's charge-account trading.

And therein is the difference between the St. Louis credit plan and the method in use in many other cities. Every new charge account opened by every member of the association is reported to the central bureau—not merely every good account, nor every bad one, but *every* account. Similarly every account closed is reported to the bureau—and at the time it is closed. In the bureau all this information is tabulated as to customers. Thus, in the files of the bureau there is available, for instant reference, the complete credit history of any customer and of every customer that has bought goods on time from any store in the association, or from any number of stores.

For instance, the master card of the real Mrs. Green would show that she has had a charge account with such and such a store since March, 1919, with another since May, 1920, with another store since June, that with another store she opened an account in January and closed it by paying in full in April, and so on. If any store had had trouble with Mrs. Green's account, the card would show how, and why, and what the outcome was.



NAME Jomann Herold Lloyd Buyer

ADDRESS 4184 Delmar BUSINESS AD. Blank & Blank

FORMER AD. 6218 Cozzens

DATE OPENED	DATE REPORTED	NO.	AMT.	TIME		DATE OPENED	DATE REPORTED	NO.	AMT.	TIME	
10/13	6/20	171	6X	BC	all Pd						
6/17	6/20	344	HP	AB							
4/24/c	6/20	11	400+	BC	owes 982= Bal. 12/19 to-date						
"	6/20	51	H	BC	owes 1600 5/20 7/c						
"	"	111	HP	A	on 7/c owes 2354 5/20 7/c						
"	"	500	1000+	AC	owes 1000 = Just Due						
3/16	"	151	6	BC	Inactive						
6/21	"	200	HP	C	owes 300 = P. D.						
"	"	7272	1	C	A.C.T.S.						

Master card on file in credit bureau. (Copy of an actual card, with the name and address changed.) Designations of vertical columns are self-explanatory, except possibly the third one from the left-hand side—"No." This column is for the number of the association store. For convenience in reporting and in tabulating information, a standard code of symbols for certain notations has been established. Thus, "A. C. T. S." at the bottom of this card means "Account closed; too slow"

Indefinitely, in fact perpetually, the records are kept accessible. No card ever "dies" or is discarded, or packed away somewhere on a shelf. In the files of the central bureau today there are the complete credit biographies of more than 400,000 persons that have had, or still have, charge accounts at stores in the association. And the number of separate accounts recorded in each of those biographies—separate as to different stores or different accounts at different times—ranges from one to forty-five.

As to personnel, the credit bureau sh...

(Continued on page

From Five to Eleven Times

(Continued from page 13)

piano or doing something that distracted her attention from playing.

3. He discussed the social benefits to be derived from having a piano in the home, and particularly a piano rated as high artistically as was the piano he was selling.

I have no way of determining now how many times he covered these three arguments, but I think it is safe to say he covered them not less than twenty-five times each. When the sale was closed I was the most surprised of the four persons interested, and I can assure you I lay awake late that night as I analyzed this remarkable sale. I can see now that this salesman knew the three outstanding factors in every retail piano sale, particularly where one is selling a customer that never has owned an instrument of any kind, as was the case with this customer. Thousands of sales could be closed in half the time if the salesman would take the time to analyze the three or four outstanding qualities of the merchandise he is selling and then repeat at regular intervals these outstanding qualities, being careful to pause after each selling canvass to give the customer a chance to buy.

Scientists have found that it is impossible for people to concentrate for more than two seconds on any one thing. When anything is brought to our attention our power of concentration rises to a peak, then very quickly recedes and rises one or two times again. The psychologist says that our ability to concentrate is just the same as the rhythm of music. Concentration comes and goes in waves and the interval between these peaks is seldom more than a second and never more than two seconds.

In closing a sale—especially a slow sale involving a large sum—it is absolutely necessary that the salesman give the customer time to digest mentally the thing he is saying. We have already seen that certain intervals must elapse between repetitions of a statement or a lesson if it is to be learned and remembered. Of course in sales that involve inexpensive articles, such as a pair of garters, a patented lead pencil, a safety razor, a new brand of cigars or cigarettes, a new soap, a new kitchen cleaner, a new soft drink or some other commodity where the sale is made quickly, we must concentrate on one or two arguments and repeat them quickly if we are to make a quick sale, but regardless of whether the sale is quick or slow we have to reckon with this law of concentration.

A sale I witnessed not long ago in a grocery store shows how the seasoned salesman uses this law unconsciously. A customer was buying for the first time tea put up in little cloth bags. This is a much more expensive way to buy tea, but it is a very satisfactory way to serve.

Little strips of cloth that closely resemble open meshes of muslin are filled with enough tea to serve two people. A string is tied to this little package and at the end of the string is a tag with the name of the tea and the flavor. Tea put up this way costs $1 a box and the box contains fifty of these little packages. You may buy the same amount of tea for about one-third less if you buy it in bulk.

During this particular week the salespeople were encouraged to push this tea because it paid a good profit and was really satisfactory to many of the store's customers. I timed the sale; it required a little less than five minutes. The thing the customer objected to was the additional 40 cents that was charged for the cloth, string and little tag at the end of each bag of tea. To offset this price argument the salesman kept emphasizing one thing:

> "With tea put up this way you have a perfect blend of tea without tea leaves and you can regulate the strength of the tea simply by taking the bag out of the pot or by putting it back. It is the only way that one can brew tea, regulate its strength and be absolutely sure of having no leaves or portion of leaves in the cup."

This argument finally won out; the customer bought three boxes of tea. The salesman believed that this customer could be sold on one line of argument, and he was absolutely right. He knew nothing about the law of concentration, but his selling instinct told him to keep on recurring to those two ideas—ease of regulating the strength and tea without leaves.

I often hear salesmen say that selling is changing; that the times are evolving new ways to sell merchandise. This is partly true, but salespeople themselves are undergoing the greatest change; they are taking the time to discover those simple fundamental laws that have so much to do with getting information to the customers quickly and having it register there long enough for them really to analyze what they have heard.

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CHICAGO

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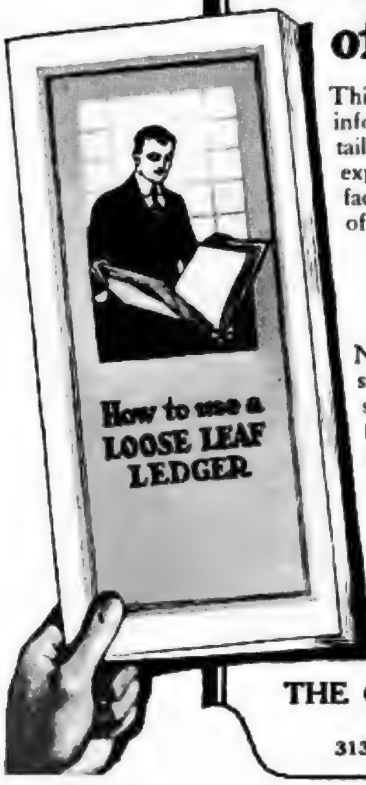
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NAME

ADDRESS

.....

A Business Run by Charts

(Continued from page 15)

its sales in the six divisions into which all sales of all Cross stores are recapitulated.

And so the Cross chain store starts on its charted course, with its rudder set, and moving ahead at a predetermined speed. Theoretically, it should proceed along that course, automatically, and reach a predetermined point at a predetermined time. But outside influences tend to affect both the direction and the speed of its progress. When the mariner, at sea and out of sight of land, calculates the position of his ship, he makes certain allowances. He makes allowance for the effect of the wind upon the direction of the ship's progress and its speed; he makes another allowance—if he happens to be in an ocean current—for drift; he "corrects" his compass for magnetic variation, and possibly he adds or subtracts a few seconds from the time-reading of his not-always-accurate chronometer. All of these factors are figured into the reckoning. In the business of the Cross Candy Company there are merchandising parallels to wind and current and the variations of compass and chronometer. But, as does the mariner, Cross knows the measured effect of these diverting influences. There are certain factors for which he makes allowance.

There is the matter of the season of the year. A sales chart of a Cross store for a year looks like the profile of a brand-new mountain range, with none of the peaks yet rounded off or the valleys filled in by erosion. In February there's a pointed pinnacle—that's St. Valentine's Day. Lent looks like a toboggan sliding off the peak of Easter. There are dips and dizzy little ascents across the summer, the average dropping low when the urbanites go away on their vacations; and then the line climbs upward to another pinnacle that represents Thanksgiving, volplaning down the other side during the pre-holiday period—and then Christmas! Christmas just naturally soars clear off the chart, climbs the office wall and bumps the moulding strip, eighteen inches below the ceiling.

Last year's sales—if the store has been operating for a year—help to plot that zigzag course across the uncharted months of this year. But there are other corrections, aside from the time of year, to be made, before the course is absolute. There's weather, for instance.

"You see," said Cross, as if he were explaining something perfectly obvious, "if it rains in the morning and

during the day, that hurts our business, because not so many people are on the street. But if it starts raining, or begins to look threatening late in the day, that helps our business, because people know they'll spend the evening at home and they buy candy in preparation for that.

"Temperature, too, affects our business. A decrease below normal temperature in the summer decreases our sales, and an increase above normal in winter increases our sales. But the charts show us what to expect, both as to rain and changes in temperature. Observations over a period of years will show the average number of days during any month when rain can be expected in the morning, or in the afternoon and evening, and other charts, also prepared from observation, will show what mean temperature can be expected for any given month."

And then there's the matter of general business conditions. Bank clearances often are called the "barometer" of a city's business. Cross uses them, during certain periods of the year. But he has found that the barometer isn't accurate enough at all times for his exact purposes. "For instance," he said, "at tax-paying time the clearances jump upward, because so many tax-payers pay by check. Then the clearances aren't accurate as showing the comparative volume of business being done and we throw them out of the reckoning, altogether."

I HAD in mind a business-affecting factor that Cross hadn't mentioned. Out of ambush, as I thought, I asked him:

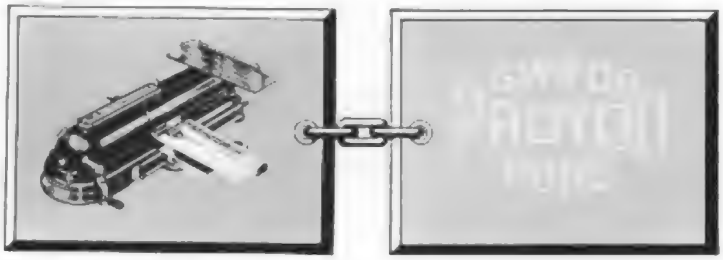
"How about increases in the city's population—how do they affect your sales?"

"I was coming to that," Cross said. "There's a chart on it." And from one of the leather-covered binders he unfolded a cross-hatched strip of blue paper, with a pencil mark running diagonally across it. "The mark shows the increase in sidewalk traffic past a given spot as the population increases," he said.

The mark described a curve. But it was a tricky curve, like one of those things that a mathematician calls a parabola.

"It isn't constant," I objected.

"Of course not," Cross said. "But don't you see why? Doubling a city's population doesn't double the number of persons that pass a given spot during a given period of time. There are two reasons for this. One is that, as the city's population increases, its area increases. Area increases less rapidly, proportionately, than does population. But, since there is some increase in



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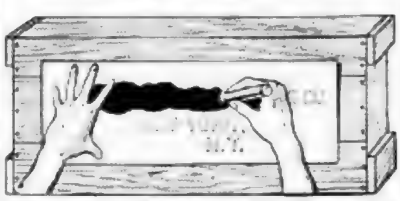
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area coupled with the increase in population, you can't assume that increasing the population by, say, one-half or one-quarter or any fraction, will increase the congestion at any one spot by just that same degree. The other reason is that, when congestion reaches a certain point, it becomes uncomfortable; maybe the sidewalk will not hold the people—and then they'll go around the block. That chart, established by observations and actual counts, has determined the percentages by which, with every one thousand and ten thousand unit increase in the city's population, the sidewalk traffic past a given spot is increased."

I surveyed again those volumes and square yards of charts, with all their hair-line detail.

"Beautiful!" I said. "Marvelous! But what good is all this?"

Cross smiled. "I've been asked that question many times," he said. "Business men come in here and see all these fool charts of mine and they ask me, 'But with the making of all these things how do you get any time to run your business? And what good are they, anyway?' And I tell them that the charts make it possible, almost, for my business to run itself. They're like the parts of an automatic machine. That chart on the wall there, that's the answer."

He pointed to the nine-foot chart, the one with the raw and unfinished mountain range.

"That's what runs the business," Cross went on. "That's the master chart, the summary of all these others. You see, every store is on there, its course plotted a year in advance. You can see how the four bottom lines, each representing a store, parallel each other in the peaks and dips. The top line shows the total business of all four stores.

"Now look at the top line at that point, there. The reading at the bottom of the chart shows that that day is August 14, more than two months ahead, you see. And the height of the line at that point shows that on that day the four stores will sell umpsteen thousand five hundred pounds of candy. We know, from other charts, just how that volume of candy will be made up as to varieties. Can't you see the value of just that one detail of advance knowledge how, by knowing just how much stuff you are going to sell on any day, you can buy the materials long in advance and be ready, when the day rolls around, with your made-up stock? That's just one of the ways in which that master chart is plotting out our fifty turn-overs a year."

My mind went back to the beginning of the interview. "But that master



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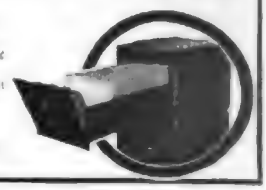
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chart and all these other charts," I countered, "are all pictures of mass personality and mass psychology, aren't they?"

"Surely," Cross agreed.

"Then," I demanded, "do you still insist that the human equation has nothing to do with your business?"

"Of course it hasn't," said Cross. "Look at those doggoned charts, and consider the way our business is run. Can you imagine anything more cut-and-dried, more matter-of-fact, more mechanical?"

And what, I ask you, can one do with a man like that?

A Close-up of the "Co-ops"

(Continued from page 8)

interesting, plan that resembles the method a bank uses in keeping its depositors' accounts. Instead of buying a coupon book the customer makes a cash deposit at the office of the store, in advance of his purchases. His receipt is a sales slip, labeled "Deposit" and showing the amount. A duplicate of the slip goes into a register file. Then as the customer makes purchases, whether to be carried away or delivered, the amount of his credit balance is carried forward from slip to slip and the amount of each order purchased is deducted from the remaining credit, leaving at the bottom of each slip the new balance of credit.

Co-operative retailing has its critics, as well as its advocates. Among the critics, naturally, are many individual retailers. Mercantile competition is keen in those wide-awake, Middle Western cities and towns. Theoretically, perhaps, the individual retailers, in their competition with the co-ops, should make common cause. But, strangely enough, this does not seem to be the case in the average locality in which both kinds of stores are strongly represented. To the average retailer "in business for himself" the competing co-operative store across the street is simply a competitor—often a competitor as big as himself; an alert, progressive competitor that must be reckoned with—but not a "menace" or even an invincible adversary.

True, hostility that has gone deeper than mere commercial competition has developed here and there. There are instances in which individual retailers, either singly or through their associations, have sought to bring pressure to bear upon the co-ops by invoking discrimination on the part of wholesalers; and possibly in some cases there has been reciprocity in this regard on the part of the co-ops toward the individual merchants. To the average wholesaler and jobber in the Middle

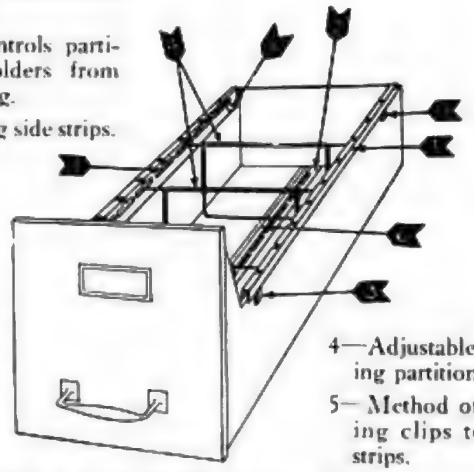
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1—Side strips control movement of cross partitions.

2—Bottom strip controls partitions, prevents folders from sagging or buckling.

3—Clips for attaching side strips.



SOME DESIRABLE TERRITORY OPEN TO LIVE DEALERS

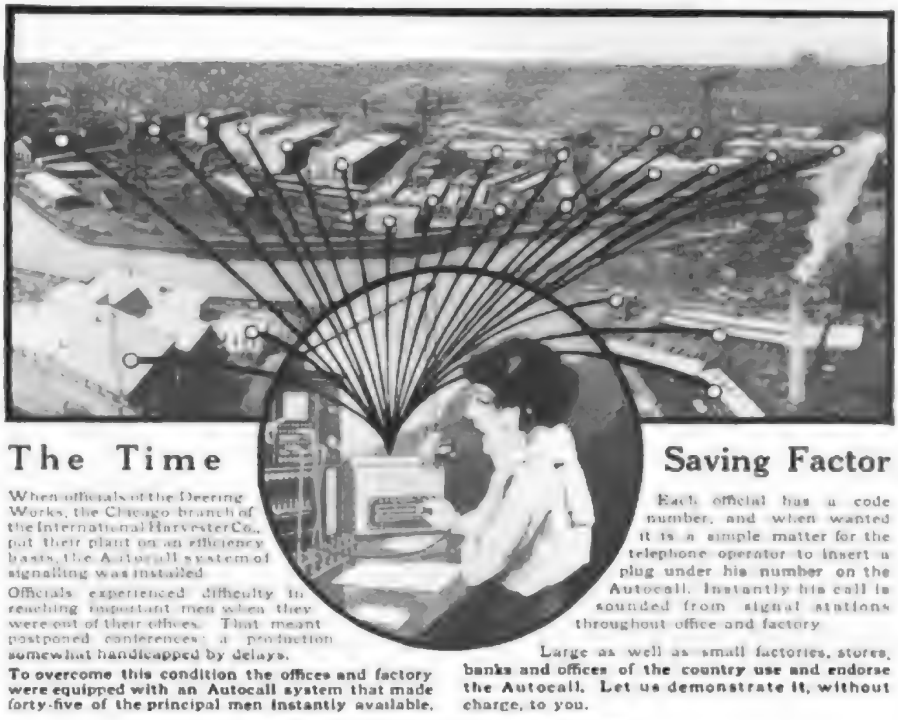
4—Adjustable dividing partitions.

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Each official has a code number, and when wanted it is a simple matter for the telephone operator to insert a plug under his number on the Autocall. Instantly his call is sounded from signal stations throughout office and factory.

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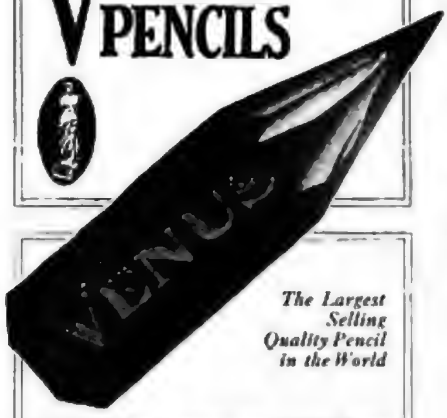
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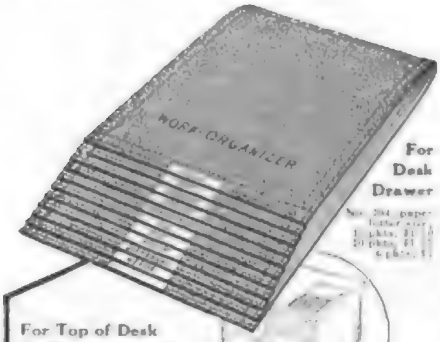
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West today, however, the co-op and the individual merchant look alike. Both are customers and, usually, good customers. His policy is to treat them alike.

With such a situation the individual retailer seems to have come to realize that his line of competition against the co-op lies not in the roundabout direction of the wholesaler and the jobber—if he ever considered that way—but in the more direct and perfectly legitimate line of open competition for business with the co-op store itself.

To the individual retailer the co-op has its vulnerable points. For one thing, it makes no practice of cutting prices to undersell competition. To cut prices is contrary to the policy of the co-op, if, indeed, it is not positively detrimental to its ultimate advantage. But to the individual retailer, who can afford to "pocket a loss" for six months or so, the while he undersells the co-op, that expedient is always available. And it has been used.

Generally the co-operative store does not advertise; at least, it has no policy of continuous, cumulative advertising. To the individual merchant competing with a co-op store, advertising is a potent aid and one that is easily employed.

FOR the co-op store delivery is a burden—at best a serious problem. Its stockholders, numbering maybe 1,200, will live in all parts of the town.

They may not do all their "trading" at the co-op store, but even those in the remote neighborhoods will make some of their purchases there and will ask to have the goods "sent out." As the locality grows and the number of stockholders increases, delivery service for the co-op store becomes increasingly burdensome; finally the point will be reached, very likely, at which mounting delivery costs will force the opening of branch stores, each of which will then have a little delivery problem, of the same kind, all its own.

On the other hand, most of the customers of the individual retailer live in fairly close proximity to the store. His long hauls are the exception, rather than the rule, as in the case of the co-op store. With a lower basic transportation cost to meet, the individual retailer has the alternatives of holding down his overhead and reducing his

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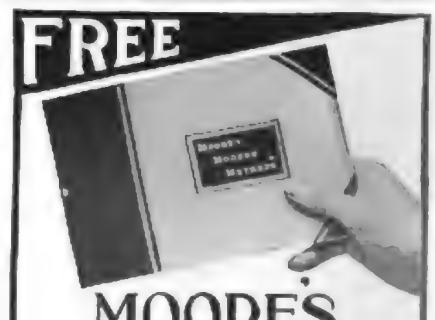
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mark-up by that much, or of spending as much for delivery as does his co-op competitor, and, by concentrating on his smaller delivery district, giving better and more frequent service. And service, of course, is always a business builder.

E. B. Purcell, descendant of a long line of merchants and himself a veteran of retailing, recently sold his big general store at Manhattan, Kansas, and retired. The consideration was $125,000. The purchaser was a Farmers' Union co-operative association. Today the Manhattan co-op store is said to be the largest co-operative retail enterprise in Kansas. Its five departments cover 15,000 square feet of floor space; and in a town of 10,000 inhabitants it is doing an annual business of nearly $400,000.

But the man who sold out to the big co-op seems to feel no regret as he sits back and watches his mercantile successor building up its business. A half century of merchandising, perhaps, has broadened his perspective and he looks upon the commercial world, mayhap, with the eyes of one who has labored and wrought and achieved success. True, he has no reason for a grievance against the co-operative movement. His opinion, however, is interesting.

"The co-operative store is all right, if it is well managed," Mr. Purcell said. "Its management should be in the hands of one man, and he must be a competent man. Mercantile co-operating is an established institution; there can be no doubt about that. But I do not look upon the co-operative store as a 'menace' to the individual retailer. On the contrary, the co-op is often an aid to the fellow in business for himself. For one thing, it brings business into town. And, from the broader point of view, it must be admitted that co-operative competition has forced the individual retailer to improve his methods and raise his merchandising standards."

The Price at a Glance

A neat and convenient selling chart that shows the selling price of oranges and lemons a dozen, based on a 25 per cent margin of profit, has been issued by the California Fruit Growers Exchange. Knowing the number of oranges in a box and the price per box, the dealer can tell by the chart just what he will have to charge a dozen to make 25 per cent.

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IT IS gratifying to think of the important part that National Blank Books and Loose Leaf Devices perform in National Business. Wherever accounting is done and records are made, some items from the National Line are sure to be found rendering faithful service.

A user of one National number, readily becomes a regular customer of other National record books. It is much better for an office to stick to the National Line, in place of a motley assortment of various makes and brands.

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Send for free copy of
"GOOD FORMS FOR BOOKKEEPERS."

NATIONAL BLANK BOOK COMPANY

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"See, Miss French, it folds like this, and makes a neat little 4-page folder at one printing. The Multigraph certainly turns out snappy work!"

PRINT it on the

There was a man in our town,
And he was wondrous wise,
He bought himself a Multigraph
So he could advertise.

And when he saw his business boom,
He pranced around with glee
And bought another Multigraph—
And now he's using *three.*

There's a man in your town—*you, yourself.* Are *you* wise? Are you using even *one* Multigraph? In these days of high-pressure, dog-eat-dog business the man who doesn't make the most of the *money-saving, business-building, profit-boosting powers* of the Multigraph, almost has to justify his claim to *being* a business man, to say nothing of being a *wise* one.

You don't have to pay what you're paying for printing

No matter how reasonable your printer *tries* to be, he *can't* charge you much less, and get by. Overhead, paper, ink, labor in the printing business have *simply sky-rocketed.*

But there *is* a way to *reduce your printing bills*—and you *won't* have to reduce quantities—or accept any cheap substitute.

You can use just as much printed literature, sales bulletins, office and factory records, enclosures and all the other good printed things as you ever did—or *more.*

You can have *just as much quality* and "class"—or *more.*

And you won't have to take on any *new high priced people*—or turn your office into a print shop. None of the *muss and fuss and noise. None* of the *heavy overhead* to be charged to your jobs. *None* of the *delays* and *excuses.*

All the advantages of high grade printing—*none* of the disadvantages.

All at a big saving, and all perfectly simple—

Print it on the Multigraph

The Multigraph is a *complete printing* plant and includes—

A simple, easily operated typesetter, which sets typewriter and other styles of type.

A small, rapid, *rotary printing press* that prints from real type, and from curved electrotypes, with real printer's ink, in colors, and with illustrations if desired. Hand or electrically operated, with automatic feed.

A multiple typewriter for producing highest grade typewritten letters in quantities, either through a ribbon or direct from type.

Saves and Earns All Along the Line

By cutting down your printing costs 25% to 75% on *every* job.

By getting *all* your printed things out on time, *every* time. By cutting out delays in factory, sales department and office.

By enabling you to get after *every* opportunity instantly—no waiting for sales helps and letters until the scent is cold.

By getting you into close touch with your trade, and keeping contact between salesmen's calls. By doing the missionary work for your salesmen, saving their time, helping them pile up orders. By merchandising your advertising to your salesmen and your trade.

By making it easy to educate, enthuse, inspire your entire organization.

Here's How to Prove It

Send right now for the Multigraph representative. Explain your printing problems to him. Have him show you actual samples of Multigraph jobs with *actual costs.* Have him estimate what *your* costs would be. Have him show you where the Multigraph would fit into *your* business, and *save* and *earn* money for you.

And then when he's all through, if you're still in doubt there's just *one* thing to do—*get a Multigraph and convince yourself.*

You can't buy a Multigraph unless you need it

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio
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THE INTERNATIONAL MULTIGRAPH CO., (Britain) Ltd., 15-16 Holborn Viaduct, *London, E. C. 1*
THE INTERNATIONAL MULTIGRAPH CO., *Paris,* 24 Boulevard des Capucines
THE MULTIGRAPH SALES CO., Ltd., 84-88 Bay St., Toronto, Canada, *Offices in Principal Canadian Cities*

MULTIGRAPH

THE MULTIGRAPH SENIOR This is a complete, compact equipment that turns out high quality printing and form typewriting at very low cost—averaging a saving of from 25% to 75%. It is simple and easy to operate; rapid and convenient. Electrically driven, with printing ink attachment, automatic paper feed, signature device, automatic platen release and wide printing surface.

THE MULTIGRAPH JUNIOR This is a wonderfully efficient equipment for concerns which have a limited amount of work. It does both form typewriting and office printing and produces the same high quality of work as the Senior Equipment, but it is hand-operated only and cannot be equipped with electric power, automatic feed and signature device attachments, as can the Senior.

The Multigraph
1798 E. 40th St., Cleveland, Ohio

I'm not using "even one Multigraph," but maybe I ought to. Anyway I want to be told more about Multigraph printing.

Firm_____ Our Line is_____

Name_____ Official Position_____

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Town_____ State_____ Box. Sent.

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These Firms Know

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Hudson Motor Car Co.
Chevrolet Motor Co.
Paige-Detroit Co.
Lakewood Engr. Co.
—and many others equally well known

Maps have always been essential in a sales organization. Today they are more useful than ever. They are being used as business charts to show dealers' territories, salesmen's routes, sales quotas and other vital statistics. This data, of course, is constantly changing, and the maps, if they are to serve their full purpose, must be changed accordingly.

Ordinary business maps cannot be so changed. Once marked, they are marked to stay. Any future entries produce complications and confusion. That's why so many big business organizations are using the washable National Maps that come with the

Multi-Unit Map System

The special transparent, water-proof surface of National Maps enables you to erase, quickly and completely, any marking made thereon. Use either a sponge or a damp cloth. Ink, pencil, crayon or water-color marks are instantly removed, leaving the surface bright, clean and smooth—ready for new marking.

The Multi-Unit System for displaying maps is a strong, convenient, space-saving outfit which keeps all your maps within easy reach of your desk, ready for quick reference when you need them, and folded up together against the wall when not in use.

Write for further information about washable maps and the Multi-Unit System of display

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Indianapolis **Map Makers for 35 Years** *New York City*

Address Home Office: 22 E. Georgia St., Indianapolis, Ind.



Machine Accounting Equipment

¶ The picture shows Outfit No. 2, consisting of ADJUSTO Tray-Binder, Truck Stand and Steel Filing Case—a splendid outfit to use with any bookkeeping machine.

¶ The ADJUSTO has large tray capacity with expansion and locking features of a ledger binder. The jaws or sheet supports are adjustable to any angle for convenience in posting and reference to accounts. Holds up to 2000 sheets—any size or punching. Sheets rest on non-skid flat base. Best possible working facilities.

¶ The Truck Stand may be easily wheeled to any position on floor, or in and out of vault. Eliminates vibration from the machine.

¶ The Steel Transfer Case holds sheets up to 12x12 inches—3500 sheets capacity.

A COMPLETE OUTFIT IN ONE UNIT

Write Dept. B for information

Lefebure Ledger Company

Accounting Equipment Outfitters CEDAR RAPIDS, IOWA, U.S.A.

Fine Stationery

The more important your business deals the more vital it is that your stationery should be everything that taste, skill and money can give to it. In Steel Engraving and in Lithographing we offer the superlative to those who realize its value. Confer with us before reordering.

The Edwards & Franklin Co.

Steel and Copperplate Engravers and Lithographers—Medal London 1914

1835 to 1845 East 23d Street CLEVELAND, OHIO

"Some" System—and it Works

(Continued from page 19)

besides its manager, these employees: two persons receiving incoming information by telephone; three clerks and a copyist, who work on the record files; a court clerk, who keeps in touch with court proceedings affecting credits; two stenographers, a switchboard operator, a bookkeeper, two messengers and three reporters, or investigators, at work outside.

The strong right arm of the bureau is the telephone. For quick, emergency work, such as the flashing of a warning against "bad" checks or other frauds that come to light in one association store and may be repeated, as they often are, in other stores, there is a network of direct wires. With this the operator needs but to "plug in" a single connection and route the one message simultaneously into a dozen, or a score, of credit managers' offices. For the more leisurely transmission of information concerning credits the ordinary telephone lines are used.

Not at all times, however, does the central bureau resemble a combination of a telephonic information bureau and a fire-alarm switchboard on the trail of an industrious incendiary of iniquity who is trying, ingratiatingly and itinerantly, to set the business structure of St. Louis on fire with a trail of "hot" checks. There are times when the bureau takes on the solemn and deliberate atmosphere of a lecture room, or a rescue mission. This is when the manager, A. J. Kruse, is called upon to do a little "bawling out" of some well-meaning store patron who has mislaid his credit, somehow, or to issue a little fatherly and judicious advice to some other patron who has not yet come to realize that a credit man measures the goodness of a "good" customer by the accuracy of that customer's estimate of the actual length of thirty days. And that happens right often.

"You see," Mr. Kruse explained, "we occupy a sort of neutral position up here. We're not a part of any store, nor do we represent any one store. We represent them all, or all the bigger and more important ones. When a credit manager is confronted by a customer of whose credit he is doubtful, or whose credit he knows to be in ill repute, and when that customer puts up an argument for a charge account, the credit manager can send the customer up to see us."

It's a case of, "You tell 'em, Bureau. You don't have to sell 'em."

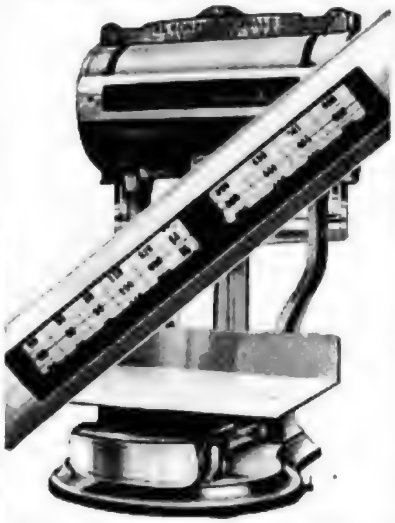
Recently a woman—yes, another woman—walked into the credit bureau and asked for Mr. Kruse.

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No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.

326 WEST MADISON ST., CHICAGO

Sales Distribution

"IT'S VISIBLE"

AMERICAN MODEL 41

Price $15.00

HAND NUMBERING MACHINE



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Steel Throughout. *The Machine With the Guarantee.*

DEALERS EVERYWHERE

AMERICAN NUMBERING MACHINE CO.

230-236 Shepherd Ave. Brooklyn, N. Y.

New Catalogue on Request.

"I have asked to open an account at such and such a store," she said. "They hesitated and finally sent me to you. I cannot see why there should be any hesitation. I have had a charge account for years at such and such a place (naming another store) and I gave that as a reference. But still they hesitate."

Mr. Kruse referred to the files. The woman's card showed that, as she said, she had maintained a charge account for years at the store she used as a reference. At first, it appeared, she had kept it strictly on a thirty-day basis. Then, seemingly, there had been lapses—sixty and ninety days and longer periods between purchases and payments. There were no symptoms of a thoroughly "bad" account, but the thing nevertheless did look annoying.

"Madam," said Mr. Kruse, "you are the sort of person that the credit association is trying to reach. You are, or should be, a desirable customer for any store. But you have been careless with your credit. The store at which you have been trading for so long never has said anything to you about your account simply because you are an old customer, an old friend. But can't you see why, in the face of the record of your dealings with your old store, this other one should hesitate about taking on an account that is likely to cause them annoyance? They are not eager to get a charge customer who has been shown to be careless about her payments—and that is what your record shows. You haven't meant to be annoying, of course, but you have been. Just now, there is nothing for you to do but pay your bills promptly and establish a new credit, and then you will have no difficulty in opening a charge account anywhere."

"Well," said the woman, "we-l-l."

And Mr. Kruse says he has found that when a woman says "Well" and then repeats it like this, "we-l-l"—that means she is convinced.

And now let's bring in a man. In most respects, he would qualify as a scion. However, in the matter of general good-for-nothingness, he would scarcely come up to the specifications of a thoroughly futile scion. For, in a well-meaning, likable sort of way, he did amount to something. He was worth, in his own right, about a quarter of a million dollars. He never lacked cash, never had lacked it. Always he had been able to reach out and get almost anything he wanted, and usually he wanted good things, was willing to pay a good price for them and never quibbled about the cost. But one day he asked for credit at an



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It is not always the big things that count most with employes. A pleasant nod or a word of appreciation touches the individual more than some big improvement that affects the mass. Furnishing employes with individual steel lockers in which to keep their belongings during working hours makes each one feel that something has been done for his personal comfort and convenience. It is an act of courtesy—and appeal to personal pride—that wins good will, loyalty and sincere co-operation.

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It illustrates and describes all styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools and gymnasiums. Informyourself. Get the facts. Clip and mail the coupon below. We also make Steel Shelving, Racks and Bins for storage, stockroom or office. State if interested.

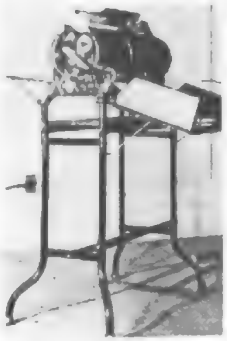
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We are interested in Steel Shelving, Racks, Bins..... (Please check)

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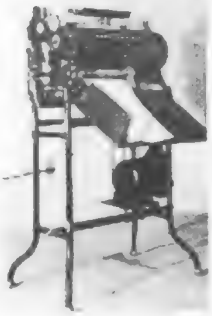


$520 Number Four (new) - $250 (rebuilt)

Includes the $500 current, No. 4 Model and $20 Stand. Complete type equipment (brand new), 2 segments, tools, supplies, ribbons.

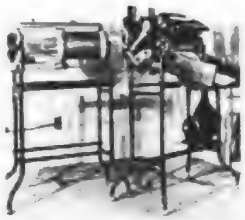
$865 Complete Unit (new) - $405 (rebuilt)

Includes the $520 No. 4 outfit, and in addition the Automatic Feed, Power Drive (right motor for your current) and Printing Attachment.



$975 Senior No. 36 (new) - $525 (rebuilt)

Includes the Multi. Senior Printer with the automatic platen release and a separate Compotype automatic typesetter—both on stands. Also the Power Drive, Automatic Feed and Printing Attachment.



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Our Multigraphs guaranteed to produce finest quality work or money refunded. Guarantee to renew free any part that wears or breaks within 2 years (only exception natural wear on type.

REBUILT MULTIGRAPH EXCHANGE

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All Mann Products

are made under our roof

The Mann Factory

SINCE 1848, we have been growing gradually, until today we occupy every inch of space in our eight story factory building, 21 to 27 North Fifth Street, Philadelphia. In this one plant we have the following complete manufacturing departments:

Blank Book Bindery
Loose Leaf Bindery
Lithographing Department
Printing Department
Engraving and Printing-from-Steel Department
Copying Book Bindery with our own Paper Mills at Lambertville, N. J.

Each of the above is a complete plant in itself. Each process is started and completed in our own factory.

This assures a uniform, superior quality of work, impossible to obtain if each process were done in a different shop.

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving, Office Stationery and Supplies

Many banks purchase all their office supplies and equipment from us. All Mann products are always of the finest quality

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway

association store he never had patronized before—and was refused. He, too, was sent up to see Mr. Kruse. He, too, failed completely of understanding why anyone should hesitate.

"The trouble with you," Mr. Kruse told him, "is that everybody likes you too darned well. That, I suppose, is because you are such a good fellow and because you like everybody else too well. The stores where you have been trading never would mention your account to you because of your family connections and because you, yourself, are so likable. But the thing that every credit man knows is that good-fellowship, for a store, begins at the cashier's window. I suppose it is because you are so easy-going that you neglect paying your bills promptly. But a merchant simply can't afford to have his accounts handled that way. Do you see the point?"

Now this man didn't say, "Well." He said something that sounded like that, but could have been interpreted in various ways. However, that he did see the point and that he was convinced was evidenced by the fact that, then and there, he sat down, hauled out his check-book and, as Mr. Kruse read the names and amounts off to him from the master card, he wrote a check in full for every account that he owed to stores in the St. Louis credit association.

And *that* isn't fiction, either.

No Statement, No Loan

(Continued from page 11)

having been altered to avoid any violation of confidence. It is a good example of how a statement should be prepared. It shows proper proportion of quick assets to quick liabilities and is otherwise balanced to constitute a good credit risk. It also avoids the errors enumerated by Mr. Herrick.

The statement in Figure 2 is an imaginary one, but a fair sample of how not to do it. Note the many instances of the faults listed by Mr. Herrick.

One feature of the Cleveland standard form—a feature that is of the highest importance and that has been adopted by the American Bankers' Association as the result of a campaign waged by Mr. Coates and Cleveland bank credit men—is a section that provides for a condensed profit and loss statement and a reconcilement of surplus. This, according to Mr. Coates, is the essence of the whole statement.

Mr. Coates explains the importance of this feature as follows:

"The condensed profit and loss statement consitutes proof of the balance of the item of net profits as it

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appears in the statement of assets and liabilities. Incorporated in it are salaries to officers or partners, interest on borrowed money or bonds, income from discounts and income from investments, all very pertinent in a complete analysis of the actual statement of assets and liabilities.

"The reconcilement of surplus is of the greatest importance, but unfortunately it is usually overlooked. It constitutes proof of the preceding profit and loss statement, constitutes a connecting link between the present and preceding year and constitutes proof of the actual assets and liabilities scheduled. The way it is compiled is a strong indication of the borrower's methods. Its omission, or the refusal to include it, raises an important question in the mind of the banker, whereas its inclusion in proper form gives the banker his keenest, quickest and clearest insight into the nature of the risk."

So John Jones, retail clothier, uses the standard statement form—and he fills it out completely. If he were in a partnership he would use a slightly altered blank of the same standard form, and if he should incorporate his business he would use a still different variation of the same form.

And Jones, having found out what to do and having done it, gets his loan. He is now ready to believe the saying, oft repeated, that no business man ever has made a marked success without the aid of his bank, just as he understands that, conversely, banks depend for their existence upon business. He learns, as both bankers and merchants are daily learning, the extent to which bankers and merchants depend on one another.

He has greater appreciation for the work the National Association of Credit Men in its many branches is doing to foster the spirit of cooperation between banks and business, and he is ready when his wholesaler later asks him for a statement, as many of them are doing, to fill out the standard form of the National Association of Credit Men submitted to him.

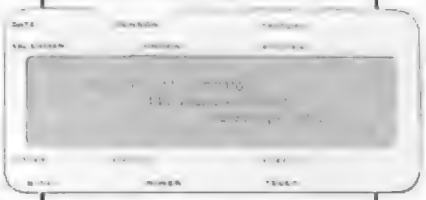
He comprehends the importance of the research work conducted by the Robert Morris Associates, in their national body, designed to add greatly to the available information on the relative value of items in a financial statement.

He is convinced that success to both himself and his bank can come only through mutual exchange of complete information and through a policy of absolute honesty; that the more facts he gives his bank the more he has for himself, and the better chance both will have for growth.

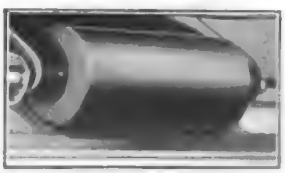


A New System of Mechanical Addressing

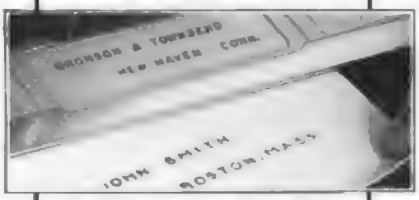
Your stenographer stencils the Elliott Address Cards on her typewriter. You can correct your list daily without buying an expensive embossing machine as was necessary with former Addressing Machines.



Elliott Address Cards are also index cards; are 1/7 as heavy, 1/5 as bulky and 1/2 as expensive as address plates of former Addressing Machines.



Soft rubber ink roll presses the ink through the Address Cards, giving equal pressure on every letter. This overcomes uneven addresses turned out by former Addressing Machines.



Work comes out of the Addresserpress Address Side up instead of Address Side down as with former Addressing Machines.

LET your stenographer stencil Elliott Address Cards for that list of addresses that you have to write periodically.

She can stencil the addresses into the Elliott Address Cards *with her own typewriter* by simply removing the ribbon.

Then, as often as you wish, you can run the Address Cards through the Addresserpress, which will transfer the addresses on to your Circulars, Statements, Lodge Notices, etc., at a speed of sixty impressions per minute.

You keep the Address Cards in alphabetical order just like index cards—always ready to be run through the Addresserpress.

If you are going to write the *same* list of addresses *five or more* times, it will be *cheaper* to use Elliott Address Cards than to "address by hand."

You can't afford to enter the battle of modern competition without this business machine gun. It will address your *every* business form *as* you want it and *when* you want it.

Send for our Booklet, "Mechanical Addressing," and tell us what addressing machine you now use

THE ELLIOTT COMPANY
144 Albany Street, Cambridge, Mass.

The Addresserpress
MADE BY THE ELLIOTT CO. of CAMBRIDGE, MASS.

"We Found a Quicker Way to Do Our Biggest Job"

And the New Way—the Burroughs Calculator—is Not Only Faster, But More Accurate, Says W. J. Calhoun Dry Goods Co.

FIGURING—just plain, old-fashioned "figgerin'"—is the biggest job in the average business.

Figuring sales by clerks and departments—checking invoices—figuring mark-up on the purchase register—footing monthly statements—figuring extensions on inventory sheets—

These used to make up the biggest job in the office of the W. J. Calhoun Dry Goods Company, of Fort Scott, Kansas. "And we're glad to be able to say they *used* to, instead of that they still are," says W. J. Calhoun, Secretary.

"Some men feel that mental calculating—scratch-pad figuring—is a necessary nuisance. They don't know there is a better way to do it. There are others who have the strange idea that such figuring ought to be done by hand and brain instead of by machine simply because they think their clerks should be good mathematicians.

"We lost interest in training our office help in mental arithmetic when we found there was not only a faster way but one that was easier, more accurate and more economical. The old way cost us too much money and was too uncertain.

"Our little Burroughs Calculator saves us at least two hours a day. That means we get the figures on each day's business before us literally while they are 'hot.' We have the whole business at our finger tips all the time—sales, purchases, expenses, profits.

"But it is at month-ends and year-ends that we most appreciate the Calculator. Every month we have 750 statements to foot before they are sent out. They are made out through the month on a billing machine and will average from 10 to 15 items. The Burroughs makes short work of them, just as it does that old bugbear, the annual inventory."

Everyone in the W. J Calhoun Dry Goods Company office uses the Calculator at sometime or another. The girls who use it had not used this type of machine before it was installed, but required no special training. They found it easy to learn and from the start could do figuring on the Burroughs faster than they had ever done it by hand with all their years of experience.

Somewhere in your office work there is need for a Burroughs Calculator. Whatever figuring you do simply to get the answer can be done better and quicker and cheaper on this machine than in any other way. It will perform addition, multiplication, subtraction and division with equal rapidity. Just touch the proper keys and the answer shows in the dials. It is a typical Burroughs product and is equipped with ingenious features that safeguard accuracy and make for speed and ease of operation. Any Burroughs representative will gladly tell you more about it and how you can use one or more to advantage.



ADDING-BOOKKEEPING-CALCULATING

A-B-C

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Slaying the Office Dragon "Too-Much-Detail"

Service always wins—

We believe that card record equipment is important. We believe that card systems are important. Yet far more important than either is the L. B. Idea—the L. B. *know-how* which sees to it that the customer gets exactly the kind of system and equipment which his particular business demands.

Right here you have the real reason why Library Bureau is today the acknowledged leader in its field. Practically everything worth while in card systems has been originated or improved by Library Bureau.

Whenever you think of a card ledger, a stock record, a sales record —*or any other kind of a card system*—think of Library Bureau.

A thought for today:—Stop in the L. B. salesrooms and see a system of accounting which cuts posting time in half; gives you a daily balance in a few seconds; and is guaranteed to get statements out on time.

Write for sample cards and literature on

Stock records *Card ledger* ***Sales records***

Library Bureau

Founded 1876

Card and filing systems — **Filing cabinets wood and steel**

Boston	New York	Philadelphia	Chicago
43 Federal street	316 Broadway	910 Chestnut street	6 N. Michigan ave.

Albany, 51 State street
Atlanta, 103 N. Pryor street
Baltimore, 14 Light street
Birmingham, Vault Floor, Jefferson County Bank bldg.
Bridgeport, 989 Main street
Buffalo, 139-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 458-464 Gas and Electric bldg.
Des Moines, 202 Hubbell bldg.
Detroit, 44 Washington blvd.
Fall River, 29 Bedford street
Hartford, 38 Pearl street
Houston, 706 Main street
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 628 Caswell block
Minneapolis, 418 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 637-639 Oliver bldg.
Portland, Me., 665 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1223-24 Mutual bldg.
St. Louis, 905-15 Arcade bldg.
St. Paul, 131 Endicott arcade
Scranton, 409 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 401-407 Gurney bldg.
Toledo, 520 Spitzer bldg.
Washington, 243 15th street, N. W.
Worcester, 527 State Mutual bldg.

Distributors
F. W. Wentworth,
San Francisco, 539 Market street
Seattle, 109 Cherry street
Oakland, 1444 San Pablo avenue
McKee & Wentworth,
Los Angeles, 440 Pacific Electric bldg.
Parker Bros.,
Dallas, 109 Field street
C. G. Adams,
Salt Lake City, 106 Atlas bldg.

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BUSINESS

OCTOBER 1920 150,000 COPIES



Burroughs Adding Machine Company

Detroit, Michigan

Is Your Bookkeeping Slow?

EVERY time the bookkeeper has to leave his place and search for records that ought to be in front of him, his work—and the firm's—is slowed up.

These sturdy posting machine cabinets for ledger leaves up to 11 7/8" x 12" offer a remedy; by saving time; saving useless steps.

They're used in connection with ledger posting machines; keep the transferred data near at hand, easy to find, easy to read; that means faster work on the machines.

Baker-Vawter has representatives in 47 cities who can serve you in most of your office requirements. Consult your phone directory.

BAKER-VAWTER COMPANY

Originators and Manufacturers Loose Leaf and Steel Filing Equipment



To facilitate deliveries we maintain production at these points.

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Holyoke, Massachusetts
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Copeland Chatterson, Ltd.,
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BUSINESS



VOLUME TWO
NUMBER ONE

OCTOBER, 1920

LUCIEN KELLOGG, *Editor*
S. D. R. SMITH, *Business Manager*

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Published monthly in Detroit, Michigan



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Remembrance Advertising

TRADE MARK

"The Household Quality"

"Handiest thing in the office! Good folks down there at Stewart's"

Beneath the cold business mask of most men lies the warm yearning for friendliness and good-fellowship—eager to respond to any mark of appreciation.

To nourish this feeling of friendliness until it becomes a strong and living thing in business is the work of Remembrance Advertising. Charged with the duty of saying "Thank You" it does not rest with a single awakening of the genial feeling of gratitude and appreciation. But through the permanence and usefulness of its messengers, endures day after day; every use recalling the warm glow of sentiment which its gift aroused.

With an insight born of twenty-four years spent in promoting business friendliness, Brown & Bigelow design and produce— not "advertising novelties"—but intelligent gift articles of certain usefulness and permanence. The indestructible Daily Pad Calendar here shown is but one of their legion of distinctive specialties, skillfully fabricated in Metal, in Celluloid, in Cloth, in Paper, in Mission Leather; and gratefully used by a host of appreciative clients, rich in the friendship of those whom they serve.

"Remembrance Advertising," a helpful booklet relating actual incidents of the power of friendliness in business, sent free upon request.

Brown & Bigelow — Quality Park — Saint Paul — Minnesota

SAULT STE. MARIE, ONTARIO

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The Coal Pile Comes First

Industry's Part in Insuring the Fuel Supply is the Conservation of Open-top Freight Cars



By WALTER L. BALLOU

BECAUSE the industries of America must assume and fulfill a heavy obligation if the nation is to escape a coal famine with attendant stagnation next winter, it is to the industries of America that this article is addressed.

While it is true that the railroads, the operators, the miners and the government must co-operate effectively toward preventing this disaster, the situation as it stands today is one that can be improved only through concerted action by all steam coal users. Because of the condition of the railroads it is entirely beyond the power of the operators, the miners, the government and the roads themselves to avert a coal famine unless coal users do their part.

No industrial purchasing agent will deny that there is a shortage of coal. As this is written, late in July, the country is running behind in its coal production at the rate of approximately 2,000,000 tons a week—and has been running behind at that rate for ten weeks. While reports of the United States Geological Survey show that on July 10 the production of coal since the beginning of 1920 was 44,000,000 tons greater than the production in the corresponding period of 1919, this increase is offset by the fact that at the beginning of 1920 the reserve stocks of coal were practically exhausted. The year 1919, on the other hand, began with a good supply of coal in reserve as a result of the signing of the armistice and the subsequent slowing up of business. As compared with production in the first six months of 1918, the production for the first six months of this year is 6,000,000 tons short.

The underlying cause of this shortage the inability of the railroads to furnish an adequate supply of cars at the mines—cannot be remedied within a year. The railroads are woefully short of equipment, particularly of locomotives and open-top cars, such as are used for coal loading. Government action cannot legislate cars into existence, nor can a president's impromptu commission create 10,000 locomotives over night. Hence, while facilities and transportation conditions may improve somewhat, it is clear that if the railroads cannot supply enough cars during summer months they will not be able to better the situation when snow comes.

Coal production is a four-cornered affair. It requires first the operator, with his capital, his mine, his equipment. It requires second the miner, with his skill, his industry, his loyalty. It requires third the railroad, with its engines and cars and other transportation facilities. It requires fourth the public, with its market. More and more a fifth element, the government, is becoming a factor in coal production.

When this four-cornered machinery works smoothly we have a good condition for coal production and distribution, to the profit of each of the factors. When one of the factors fails to function, there is trouble.

Today it is the railroads that are not functioning properly. As a result, although free (uncontracted) bituminous coal is at a higher price than ever before in the history of the nation, many operators are making less money than they made in normal times when their product brought from two to three dollars a ton less. Furthermore, the miners, who were granted a 27 per cent wage increase dating from April 1, 1920, are making less money today than they did under the old wage scale and normal production conditions. Meanwhile, the country is running far behind in its coal supply and facing the possibility of industrial stagnation this winter.

This situation can be traced directly to the condition in which the railroads found themselves last March when the government relinquished control and turned the railroads back to their owners. Without entering into a discussion of the merits or demerits of government control, one safely may say that when the railroads went back to their private owners last March their condition was not ideal for the resumption of commercial transportation. During the period of government administration, additions and extensions to equipment had been withheld; and something—possibly the suspension of competition between systems and roads—had lowered the morale of the men.

It will be recalled that under government operation the railroads were

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managed as a unit. Equipment of one road was not treated as its individual property, but rather as part of the equipment of America's railway system. Hence the cars of the various roads were widely scattered, and when the roads came back to private ownership an effort was made to get the property of the various lines into the hands of the owners. A good idea to be sure, but, since a large proportion of eastern road stock was rambling around out in the West, and Eastern stock was seeing America first in the West, long trips were necessary before this stock could be brought "back home." In fact, many cars are not back home yet. This interchange of property has further temporarily cut down the number of cars available for loading coal.

Even so, we ran along fairly well until the recent "outlaw" strike of railway switchmen. As this widened the effect upon transportation was quickly apparent. Congestion of railway cars spread from one industrial center to another. Coal cars that normally took ten days for a round trip from the mine began to take three, five, eight weeks, to make the round trip. Every day's delay of every car cut down distribution until today the output from many fields is cut to around 30 per cent, and of this small output the railroads themselves must take a large amount as their own fuel.

Coal—that is, soft or bituminous coal such as is used for producing steam in the majority of America's industrial plants outside the territory adjacent to the anthracite region—can be transported with economy only in open-top cars. It is of this particular kind of car equipment that the railroads are dangerously short. It is impossible for the railroads to make good the shortage of open-top cars within the present coal year, which ends April 1, 1921. It is because of these facts that industries should make necessary sacrifices in order to increase the number of open-top cars available at the mines.

On June 21 the government, realizing the urgent need of more open-top cars at the mines, issued an order through the Interstate Commerce Commission, that for thirty days all open cars be sent to the mines and used only in hauling coal, except that material moving in the general direction of the mines could be loaded and transported during the return trip. And yet, two weeks later, the mines in various fields were suffering the worst shortage of cars of the period; and reports were current of numerous instances where other industries were getting a full quota of open-top cars.

Because it was clear that the thirty-day restriction of open-top equipment to coal loading was not going to save the situation, the government extended the order to operate until August 1. Inasmuch as the order carries with it the right of the manufacturer who receives a car of coal to load the empty car with his product if it is to journey in the general direction of the mines, it is clear that only if the industries of the country use discretion in the exercise of this right can we hope for the full benefit of this order.

The miner, as shown by the recent strike in Illinois and Indiana, is still an uncertain quantity. Until the situation is adjusted in these states, the country is not secure against a possible stoppage of a production of coal that runs well over a million tons a week. Hence, it would seem that in self-protection industry would forego the use of open top cars wherever possible, and, in order to expedite their return to the mines, send the cars back empty. Such a program would be advisable at least until the coal pile had been increased to a safe height.

But, you ask, how about industry's transportation—the hauling of raw materials and supplies and finished products? Isn't industry entitled to some consideration in this matter of open-top cars? That's exactly the point of this discourse: the consideration of industry. Industry is confronted by a question that goes back to first principles—to be specific, to the factory's coal pile. Shortage of open-top cars means shortage of coal; and shortage of coal, carried to the extreme where the coal pile dwindles to nothing, means cessation of industry. Is industry willing to continue to use open-top cars for those phases of its transportation for which other rolling stock would do as well, and let the coal pile continue to shrink?

Yes, you say, you admit the logic, but you balk at releasing rolling stock to enable some coal producer to move and sell his coal at a fancy price. Let's look at this angle of the thing from the producers' point of view. This is what they say:

"Short production has brought with it higher prices. One cannot dispute the fact that today there is some profiteering in coal and that this industry, like every other industry, has its unscrupulous individuals. There is the operator who sidesteps his contract obligations to sell his decreased output on the open market at a fancy price. There is the man who takes what he can get for his coal without regard to the cost of production.

"Not only is this true, but it is true also that coal operators of this class are extremely few. The Wholesale Coal Trade Association of New York lent its aid to the Department of Justice in its investigation of alleged profiteering in coal. This association also acknowledged the presence of the few profiteers in the industry and denounced them."

Well then, you say, even taking into consideration the short production and the old law of supply and demand, why the excessive high prices? Again let the coal producers answer:

"Put the case this way. Just what would it do to your overhead, if you are a manufacturer, to have your operating time cut down to 40 per cent? Then suppose you had sold most of your 40 per cent output on contract at a figure based on full-time operation costs. Assume also that this condition obtains with your fellow manufacturer. You can't afford to shut down your own business while your competitors are operating, nor would you want to, for the commodity



"Today it is the railroads that are not functioning properly"

ou produce is an essential. You can ealize that under those conditions you ould sell the uncontracted portion of our production at a price far above ormal and do it without profiteering; ndeed, you might actually be losing oney.

"This is the case with many of the rge coal-producing companies of merica today. Of course, when min-rs do not work they receive no pay. ut the overhead of the modern mine that part of the overhead that runs ght on whether school keeps or not— such a factor that many mines oday find their overhead per ton of roduction climbing from the normal ost to a figure from $1.50 to $2 igher. This irregularity of working me—at present due almost entirely railway disabilities—prevents merican coal mines from operating at ore than an average of 50 per cent apacity.

"While coal contracts are never ased upon the expectation of a full r supply and a resulting capacity roduction, the contracts let for 1920 o not take into consideration the pres-nt abnormal conditions. Conse-uently the bulk of the decreased pro-uction now coming from the mines selling at a price far below what it ould be in view of present cost of roduction. The result is that the perators may sell their comparatively nall tonnage of free (uncontracted) al at a high figure and still lose oney.

"Then there is the wholesaling end the industry—as legitimate a func-on and as necessary in the marketing coal as in the marketing of any her commodity. But here again the al buyer comes in for comment. One the reasons for high prices is the bid-ng against each other on the part of e coal buyers, and the number of nds which this practice makes it ofitable for coal to pass through.

"Jobber A buys a car of coal from perator X. He sells it to Jobber B, king a 15 cent profit. No profiteer-g here. Jobber B gets an offer om Jobber C, who has been asked r coal by Jobber E. Each adds teen cents or a quarter to the price his profit, with the result that the al reaches the ultimate consumer at price a dollar or two higher than it as sold by the operator, and yet no e has profiteered.

"To overcome this practice there is effort on foot today to stop all re-nsigning of coal. In other words, hile coal can be purchased from a bber by a consumer, the jobber must y direct from the mines and bill it ect to the customer."

As a matter of fact, however, the uation, insofar as it affects the in-stries of the country, has resolved self into one of coal supply almost



Coal production for the first half of 1920 was 65,000,000 tons short

PHOTO BY BROWN BROS., NEW YORK CITY

regardless of price. One-fourth of the coal year, which begins April 1, has passed. And the period that has passed is the period in which transportation conditions—that is, natural ones—are at their best. In the midst of summer we are falling behind our normal, and necessary, production of coal at the rate of more than 2,000,000 tons a week.

Reserve stocks at the end of the 1919 coal year were depleted. If we do not fall behind the present rate of production, we will still be approximately 75,000,000 tons short of our coal requirements for the coal year. If the settlement of the wage controversy, which caused the outlaw railway switchmen's strike, ultimately results in the rehabilitation of morale among these men, the condition may be improved somewhat. But it is scarcely to be expected that with the best part of the year gone, we can cut this loss more than 25,000,000 tons.

Of course, this loss includes "domestic," as well as industrial coal. And from an economic standpoint "domestic" fuel—the fuel used by the householder—is an important factor. The industrial machinery of the country cannot function properly unless the home fires are kept burning.

On account of the shortage, there are those among the operators and other persons connected with the industry who feel that a ban should be placed on further exportation of American coal until such time as America's needs are met. When it is realized that even our maximum export will not be greater than twenty million tons—less than 5 per cent of our output—it can be seen that such a ban would have little effect. In fact, not more than 3 per cent of our output remains to be exported this year. A ban on export would not materially help this country, while it would have the effect of taking away from the allied nations coal which they urgently need.

Second in importance only to the physical production of coal is the distribution of coal. Railroad transportation is needed for both. In the first place, operating conditions with few exceptions do not permit storage of coal at the mines, hence production itself rests finally upon a supply of cars.

Distribution of coal obviously is a transportation problem. It is because of this fact that the present shortage is most pronounced in the Northwest, New England and Michigan in the United States, and in Canada.

Now to look at the situation as a whole. Recently the United States Geological Survey made an investigation of conditions as to coal supplies throughout the country. The findings as to stocks of coal on hand at representative electric utility plants, representative coal gas plants and representative industrial plants, other than steel and by-product plants, show that in almost every case there was less coal on hand May 31 than on February 29. On May 31 the average supply of coal in the hands of respective industrial plants was sufficient for three and three-sevenths weeks of operation. Considering production conditions, this supply was far below the margin of safety usually maintained by industry.

This is the situation: The railroads are handicapped in any efforts they may make to aid in the increase of coal production. The equipment at their command is inadequate and it is impossible for them to remedy this shortage in time to affect the situation this year. True, the railroads can do much to clear up the congestion at terminals, a factor that is now contributing largely to the slow movement of coal cars. They can also give preferential treatment to coal in transit. This is the railroads' responsibility.

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"—But Not the Stranger's Check

An Interview With David J. Woodlock, Secretary of the Retail Credit Men's National Association

By ARTHUR H. LITTLE

"*BAD CHECKS.*" Say that to a credit man and he'll see red. He'll wave his arms; and he'll talk. He'll tell you what estimated losses are sustained by the stores of the country every year through fraudulent checks. Maybe he'll even tell you the total of losses of his own store. And very likely he'll tell you what ought to be done about the whole thing—what measures should be taken to bleach the "pink" check white.

There are two schools of thought on the subject. The one is conservative. It is the older school. The other is radical. It is the younger school. The conservative school has favored conservative methods, the employment of conventional measures. Publicity and the law—these rightly applied, the conservatives have held, would do the work. By publicity they mean not newspaper publicity, alone—although they believe that it has its good effect, too—but publicity among credit men themselves, the interchange of warnings and information concerning bad-check operators. The law, they have contended, has never been given a chance against the writers and publishers of check fiction. Retail stores, they point out, shrink from the "notoriety" of prosecuting a case in court, and shirk that public obligation.

The other, or radical, school of thought replies that both publicity and the law have been given a fair trial and together have been found short of efficacy. The method the radicals recommend goes farther back toward the source of the trouble. They call it a true preventive, and not a mere remedy. They recommend that—

But meet Mr. Woodlock. He can present the case of the radicals. David J. Woodlock, of St. Louis, is secretary of the Retail Credit Men's National Association. Also he is editor, editorial staff and publisher of the *Credit World*, the official organ of the association. Probably he has written as much about bad checks and bad-check operators as the most prolific writer on the subject in America. There are pages and pages about fraudulent checks in every issue of the *Credit World*. There, indeed, those elusive writers of imaginative literature find their works duly announced, reviewed and catalogued.

"What's to be done about bad checks?" I asked Mr. Woodlock.

"Don't," he said.

"Don't what? Don't talk about them?"

"No. What I mean is that the answer to the bad-check question is simple. Don't. Don't cash any stranger's check. That's all that needs to be done about it. It's the only method that will work every time. Publicity and the law simply are things that can be used after the horse has been stolen. They simply lock the door—and none too securely—after the theft has been committed. Look at the *Credit World*. Columns and columns of information in every issue about fraudulent checks, with many of the items reciting the activities of chronic bad-check operators whose styles and methods have become standard—and still the fraud goes on.

"It might be argued that not every credit man can be expected to read all the publicity and know all the bad-check operators. And yet we have instances in which a warning given in a specific case and about a specific operator has been without effect."

He told of the case of the ambitious and industrious young man who moved, not long ago, from St. Louis to St. Paul. He moved very suddenly. A number of his writings had fallen into the hands of St. Louis merchants who had read them, and remembered them almost word for word, and were eager, very eager, to meet the writer. It was known that, when he left St. Louis without even saying goodbye, he was headed toward St. Paul.

A warning bulletin, bearing a complete and accurate description of the young scrivener and a facsimile of one of his scrivenings, was hurriedly run on a printing-press and sent by special delivery mail to the credit associations in St. Paul.

The young man did go to St. Paul, and a few days after his departure from St. Louis he walked into one of the St. Paul stores and cashed one of his highly fanciful checks. At the very moment that the credit manager of that store okehed the check and passed it on to the cashier for payment, the warning bulletin that had been sent from St. Louis lay on that same credit manager's desk.

Then there was the instance of another man who entered the office of a printing plant in St. Louis and asked the manager to make an estimate on the printing of a quantity of check blanks. He produced a sample check as "copy." On it was printed the name of a manufacturing concern. It was the sort of check that many companies use.

Something about that "copy," the safety paper on which it was printed and the make-up of the typography caused a reaction in the mind of the printer.

"Just a minute," the printer said, and he tried to recall the associated idea. He turned to his desk and searched among his papers. At last he found what he sought. It was one of those warning bulletins concerning bad checks. Reproduced in facsimile in the bulletin was a duplicate of the check the stranger had produced as "copy." The text of the bulletin related that a number of these checks, filled in for various amounts, had been cashed by St. Louis business men and had been found worthless.

"Just a minute," the printer repeated. But he was talking to the empty air. When he looked up, his caller had vanished.

"Publicity will do," Mr. Woodlock continued. "Since publicity is one of the two remedies that we have, of course we use it. But it's a case, always, of trying to save what is left after the damage has been done. We do not know that all credit managers and all merchants that act as their own credit


Chicago, Ill. ... 19 Check No. ...

TROY LAUNDRY MACHINERY CO. LTD.

WESTERN MANUFACTORY and SALESROOMS

LA SALLE and TWENTY-THIRD STS.

MERCHANTS LOAN & TRUST CO.

Pay to the order of ... $...

SIXTY FIVE DOLLARS

Exhibit A. It looked so good that the hotel cashed it without question

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anagers make public all their bad-heck cases, even through the con-dential channels of publicity that o only to other credit men. Very kely they don't. We don't know iat all credit men read and re-ember all the cases that get into rint. Probably they don't. But 'e do know that, although they ay read the warnings, they don't lways heed them.

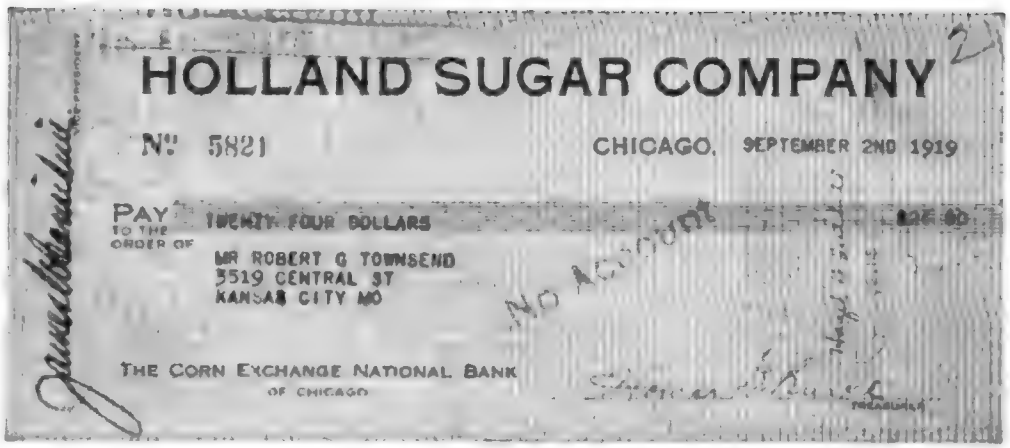
"Legal prosecution, as a means of iping out the evil, is another mere akeshift. Of course, it works in the ases to which it is specifically pplied. But how often is it applied? low often are check forgers and heck passers caught, and convicted? 'ake the 'Holland Sugar Company' hecks, for instance. Many a credit an knows what the 'Holland Sugar ompany' checks look like—and to is sorrow. Fraudulent checks bearing he name of the 'Holland Sugar ompany' have been 'put down' and ashed in cities throughout the country. 'he spread of them reached and xceeded the proportions of an epi-emic. And yet, in connection with ose checks, no arrests have ever een made.

"Truly—and I say this with no eflection upon the law, itself, or upon ose that enforce it—when the law oes catch a bad-check operator, the apture is due, in part at least, to pure ck. And that, of course, is because e check passer is a shrewd operator. n his line he is an expert. At evading e law he is more experienced than e average upholder of the law is xperienced in upholding it. Certain is that he knows more about bad ecks than does the average business an. And if a salesman in a store, r a credit man, or even a detective, ags a bogus-check operator, pure luck, r else one of those inspired 'hunches' at come to a man occasionally at st the right time, often deserves the redit."

A "hunch," as Mr. Woodlock pointed ut, was the real hero of the episode of e dapper young man and the St. ouis hotel. He stepped out of a taxi-ab, did this dapper young man. riskly he strode into the lobby, con-oyed by the doorman bearing a heavy, xpensive-looking grip, and up to the esk. With business-like celerity he egistered, "Frank Proctor, Chicago, ll." He inquired about a room, aying he had wired a reservation—hich he had done—nodded casually hen the clerk mentioned "four dollars day with bath," and then asked:

"Any mail for me?"

There was. Several letters had rrived and been held. Among them vas one in the long, window-type of nvelope used universally in mailing hecks. Upon this the newcomer's yes lighted with delight.


HOLLAND SUGAR COMPANY

No. 5821 CHICAGO, SEPTEMBER 2ND 1919

PAY TO THE ORDER OF TWENTY FOUR DOLLARS $24.00

MR ROBERT G TOWNSEND
3519 CENTRAL ST
KANSAS CITY MO

NO ACCOUNT

THE CORN EXCHANGE NATIONAL BANK
OF CHICAGO

Exhibit B. "Many a credit man," says Mr. Woodlock, "knows what the 'Holland Sugar Company' checks look like—and to his sorrow."

"Well!" he said, "Welcome, little stranger." (And this to the clerk) "It's my expense check."

The enclosure, as he drew it forth there at the desk, really did look like an expense check—as the reader may judge for himself by referring to Exhibit A. It looked so much like an expense check, in fact, that the hotel cashed it—and smilingly—for $65.

Now the episode of the dapper young man at the hotel would have ended with the preceding paragraph, had it not been for a "hunch." The "hunch" came to the hotel's house detective. When the stranger arrived it happened that the house detective was leaning against the registry desk.

Something about the dapper stranger didn't look just right to the house detective—he didn't know what it was, but *something* looked wrong. It was a "hunch."

A LITTLE while later when the new guest came down from his room and started briskly off about his business in St. Louis, the house detective followed him, saw him enter a retail store and present and cash another "expense check."

"I think," said the house detective, "I think that this has gone about far enough." And shortly thereafter "Frank Proctor," whose real name is Frank Perkins, but who has written voluminously under the names of "Frank Pearson" and "Frank Cole," was received by the chief of police of St. Louis in the latter's office. It wasn't exactly a social reception—nor was it even sociable. The police, meanwhile, had gone over to the hotel and taken a professional look into the expensive-looking grip. They found several hundred printed check forms on the Troy Laundry Machinery Company, of Chicago, and on several other large manufacturing concerns that had never had those particular checks printed at all.

"Proctor" explained that he had had the printing done, but had omitted the procedure of first taking up the matter with the manufacturing concerns concerned. Indeed, he said, he had even neglected to obtain from any of the companies authority to fill out the checks, make them payable to himself and sign the treasurer's name.

The check at the hotel? Oh, yes, he had mailed that to himself from Chicago.

The rest of the story of this modest young writer with so many pen-names can well be quoted from the *Credit World*. It illustrates, incidentally, what Mr. Woodlock says is another reason why the law doesn't always work:

> The preliminary hearing was set for November 25, in Judge Krueger's court and we were astounded to find that this man had been let out of jail on a bond of $1,000, signed by a local attorney, and that this same attorney had accompanied him to Chicago, presumably to get the money to make good the checks he had passed in St. Louis, and that thirty miles out of Chicago he jumped from a train and escaped.

"There is just one, real, sure-fire method by which to handle the bad-check situation," Mr. Woodlock said, "and that is for all credit men, all merchants, all retail salesmen to refuse to cash checks for strangers. When you come to think of it, why should a retail store cash a check for a stranger? And why should a customer become offended if the store refuses? Cashing checks is a bank's business. Let the bank have its own. Even the bankers aren't infallible, as is evidenced by the millions of dollars that are lost every year on fraudulent checks cashed by the bankers themselves. If the bankers, who are supposed to be experts in the matter, can't always tell good checks from bad, what chance have the amateurs?"

"There's a motto hanging on the wall in the central office of the St. Louis Retail Credit Association that covers the case exactly. You might drop over there and take a look at the motto."

Later I called at the credit bureau and took a look at the motto It reads:

Honor thy Father and thy Mother, but not the Stranger's Check.

(Continued on page 2

Some Salesmen I Have Met

Opinions of a Buyer Who Has Met All Kinds—His Likes and Dislikes



By J. C. HARBOURT
Westinghouse Air Brake Company

THERE are all kinds of salesmen in the world and they all work along the same fundamental lines. The term "salesman" applies chiefly, however, to that class of sales emissaries known as drummers, representatives, agents, or knights of the grip.

Up and down the land they go, year in and year out, thousands of them, packing sample cases filled with everything ever devised for the use of humanity. They constitute a vital factor in every field of activity and if the rest of the universe stopped suddenly there would still be a lot of hustle and bustle and noise supplied by the traveling men.

To get a fair idea of the variety of goods marketed through salesmen it is only necessary to think of everything produced and consumed.

Different goods demand different sales methods; yet, taken by and large, one set of principles serves every salesman, and the man that sells a jar of pickles ought to be able to sell a steamship, provided he has posted himself on the subject of steamships, just as he first learned something about pickles.

Salesmanship, after everything else has been said, is nothing more than supplying the needs of the buyer.

Of course, to the popular mind the salesman is pictured as a fat, good-natured individual who wears silk shirts and fancy clothes, smokes great black perfectos and rides back and forth across the country in Pullman cars. The small boy regards him as the embodiment of all that is to be desired in life and the girls know him as a chap with "worldly ways."

That, I have said, is the popular conception of the traveling salesman—the way he has been brought into fiction, drama and the cinema. In real life and at close range he is somewhat different.

As a matter of fact, I don't think there is any so-called type that represents the profession. There may have been such a type years ago, but that was before salesmen became so numerous and dealt with such varied products. Salesmen are just "people." No two look alike and no two act alike.

The last part of that sentence, "no two act alike," is the thing that impresses itself on the purchasing agent or the buyer—the person who is employed by the firm to make a specialty of buying just as the salesman makes a specialty of selling. Every salesman that makes a call is different, not in what he has to sell but in the way he sells it—or tries to sell it. The buyer who studies the salesmen that pass through his office in the course of a year has food for reflection. He comes in contact with many men selling many wares and he has all sorts of methods tried on him. He watches every salesman he meets, sees him go into action and sees him finish. There aren't many tricks in the business that the purchasing agent doesn't learn.

It has sometimes occurred to me that too many men in the selling profession fail to give the buyer credit for knowledge of the science of bargaining and knowledge he must have to hold his job. The buyer is trained to buy as the salesman is trained to sell. He knows the fine points of the game as well as the salesman, and perhaps better, because he meets hundreds of salesmen and appreciates good salesmanship when he sees it. This is something the salesman should take into consideration; he makes a big mistake when he underrates the intelligence of the man who is listening to his arguments.

Every salesman knows, or ought to know, that he must first sell himself to the buyer before he can hope to sell his goods. This is done through what is called the "impression." The salesman can make a good impression or he can make a bad one, and he succeeds or fails accordingly. The matter of impression calls for a knowledge of human nature. The salesman must be sufficiently well versed in the rudiments of psychology to realize the probable character of the man he is dealing with and then proceed accordingly.

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This explains why a person starting it to sell a product cannot lay down standard method of procedure and pect it to serve in every case. The ocedure must vary according to the pe of the prospective buyer, and the ility of the salesman correctly to e up the "prospect" will largely termine his success.

At my office, one day not long ago, was told that a man was waiting to e me. He had neglected to present card, but I was reasonably sure that was a salesman and, having a few inutes to spare, I directed that he be own in. In the meantime a telephone ll turned my attention to some pers on my desk and I was thus cupied when he entered. A minute so elapsed before I raised my eyes. strange sight met them. The sitor had removed his hat and coat d laid them across a chair, pulled up s sleeves, spread out his samples and herwise cleared the decks for action. ithout a second's hesitation he nged into a long diatribe; before he ished his chair was next to mine and s goods were arrayed along my desk. hen, having reached the end of his line, demanded abruptly, "How many you want?"

Through his methods that salesman d made a very bad impression. He dn't made me want any of his goods. is actions were offensive. Apparent- he had it figured that his talk was fallibly convincing and that when said the magic words, "How any do you want?" the buyer would react with a bang and shout "A million!"

Another salesman was explaining some principle or other. He was utterly absorbed in a stereotyped speech that got on the nerves. He took a sheet of paper and a pencil and asked me whether, if I were writing, I would move the pencil and hold the paper stationary, or move the paper and hold the pencil stationary. The question served to illustrate his point but was otherwise so absurd that I did not bother to answer it. Before he would proceed he insisted on an answer, so I had to assure him that if I were writing I would move the pencil across the paper instead of moving the paper from side to side under the pencil. This salesman neglected to appreciate the fact that no intelligent man likes to reply seriously to a foolish question. He created an unfavorable impression.

These little things are by no means inconsequential. Every experienced salesman knows that it is sometimes the most trivial matter that makes or loses a sale. Attention to detail is the greatest business asset in the world. The buyer likes to meet the fellow who has considered all the details of the case and conducts himself in an agreeable, pleasing manner, stating his points quietly and logically without pose or ostentation and keeping in mind the fact that time flies swiftly.

Impression is important to the salesman, not only on his own personal account, but on another and less obvious account. Every salesman tries, in his own peculiar way, to make a good impression. But I wonder if every one of them realizes that the impression he makes is not one picture, but two pictures; rather it is one picture and a reflection. The picture is of the salesman himself—of his own personality. The reflection is of the firm behind him, his "house."

A big business institution that has been built up and perpetuated by the labors of some one individual is described as "the elongated shadow of one man." To carry out the optical figure, the salesman, as he meets the buyer and deals with him, is the periscope through which the buyer sizes up the concern behind the sales representative. And no salesman nowadays can afford to permit his "approach" and his subsequent relations with his customer to discount or distort that relayed impression.

Buyers are coming more and more to scrutinize the firm behind the salesman. It doesn't have to be a big concern to win the buyer's favor—although, of course, he is interested in its commercial solidity as its condition affects its ability to carry out its agreements. But the firm must be honorable in its policy and clean in its dealings with its customers.

Not long ago I was buying some printing. Four printing concerns, all known to me, had submitted bids. The highest bid was $600, the next highest $580, and the next $575. The lowest bid was surprisingly low—$420. Naturally I accepted the lowest bid and ordered the printing done. A couple of weeks went by. The job was delivered in satisfactory shape and I was looking for the bill to come in, when the salesman who had submitted the successful bid and got the job called me up.

"Mr. Harbourt," he said, "I got into a hole on that printing job we've just delivered for you. I made a bad 'bull' in figuring the composition and my bid was 'way too low. The firm went ahead and printed the job, but we're losing money on it and I'm in bad."

It's always farthest from my intention to take advantage of anyone, so I said, "All right, we'll be reasonable. What do you consider a fair price on the job?"

"Five hundred and seventy-five dollars," he said.

That, you will remember, was the amount of the second lowest bid on the job.

I said, "All right; I'll accept billing at $575."

And that ended that.

Two or three months later I called for bids on another printing job. Three estimates were submitted. The highest was $2,100; the second highest was $2,050. Again the lowest was surprisingly low—$1,575. And it came from the same firm that had landed the first job.

Again I accepted the lowest bid. Again the job was delivered in





satisfactory shape and I waited for the bill to come in. Again the salesman called me up.

"Mr. Harbourt," he said, "I suppose you'll think that this is getting to be a habit with me, but I made a bad play on that bid of ours. My estimate was 'way too low. I figured the paper wrong. The firm went ahead and printed the job, but we lost money on it and I'm in a hole."

"Well, George," I said, "that's too darned bad. But you want to watch those things hereafter," and I hung up the receiver.

Now the upshot of the whole thing is that I have a bad impression of that salesman. But worse than that I have a bad impression of his firm. Maybe the house had nothing to do with the deal and maybe the "strategy" of it was the salesman's own bright idea. But I've blamed the thing on the house—and that's the important point.

I was buying some sulphite paper during the war. Salesmen came from six paper houses to quote prices; and their quotations were all around 11 cents a pound. I had been buying sulphite paper for four and five cents. The prospect of paying an increase of six to seven cents a pound on a two-carload order staggered me. I'm no paper expert, and I knew nothing of the general market conditions. There was one thing for me to do, and I did it.

I sat down with one of those six salesmen—just happened to pick a man representing a firm in Columbus, Ohio—and I said to him:

"Howard, I want you to tell me about the paper situation and tell me truthfully and frankly. This eleven-cent price scares me. I want to know what's what."

"Well, Mr. Harbourt," Howard said, "I don't claim to be a bureau of statistics on the paper industry, and ordinarily I might not know any more about the general situation than you do. But it happens that just before I left Columbus to come here I had a talk with the boss. He'd been out scouting around, up north and down east. I'll tell you just what he told me. He said that he can't see how the price of paper can possibly come down for months at least."

I took Howard's word for it. Further more, I bought two carloads of paper from his firm at 11 cents a pound. And if I had bought those two carloads fifteen days later, at the market price then prevailing, they would have cost just $6,000 more. What's the result of that transaction? Just this: I'm "sold" on that man Howard; more than that—and I cast no reflection upon the other men or the firms they represent, for any one of them probably would have done the same thing—I'm "sold" on Howard's firm.

The point, you see, is that relations between buyer and seller are changing, and changing for the better. In the old days the purchasing agent and the salesmen were opponents in a perpetual battle of wits. Today the relation between the two—I am speaking generally, of course, and there are exceptions—is becoming one of co-operation. In my own case I never have asked a salesman to cut a price and I expect him to deal as fairly and openly with me. I'm never in the attitude of being "on guard" against him, and it's only when I catch him trying to take advantage of me that I cross him off my list.

BROADLY speaking, most salesmen I have met can be divided into three main classes:

(1) The salesman who knows it all; who is doing you a favor by condescending to inquire into your needs and will undertake to fill them if baseball or billiards don't interfere.

(2) The one who insists on an immediate order and can't bear to leave without it; who doesn't get the buyer's viewpoint because he is too greedy for a check.

(3) The one who is sensible, sincere and tactful; who is really out to help you and his firm get together for mutual benefit—the man who sells service with his goods.

In fairness to the profession I must say that the first two classes are greatly in the minority, yet the buyer frequently encounters one of them. The cocksure fellow, the one who knows it all, who affects a patronizing air and intimates that your business is an open book to him, is extremely aggravating. He swaggers into the office, swaggers through his piece and swaggers out again like a vaudeville comedian, though he usually takes himself quite seriously and no doubt would be astonished to learn that he fails to impress you. This is the type that takes credit for all the wisdom in the world and he can't see, therefore, how anybody else can know very much.

The "immediate order" salesman is impossible. He can't understand why the buyer doesn't have an acute immediate need for his goods. He may be selling an unknown product, yet he wants to do business at once and leave the buyer to investigate afterward. He takes up more time than any other salesman, as he seemingly considers it his duty to carry away an order; accordingly he will stick to the bitter end. I never have forcibly ejected one of this type, but I have often wondered how they fared at the hands of more impetuous buyers.

No man enjoys being stampeded into a decision. As for me, personally, the salesman that tries to rush me off my feet makes me mad. There are many varieties of him, but nearly always his selling talk is of the kind that advertising men call "scare copy." He's constantly sounding ominous warnings and pointing with alarm. Prices are bound to go up, or the order he is trying to jam down your throat is positively the last available lot of that particular commodity in all the world. That sort of salesman doesn't get very far with me.

Then there's the salesman who tries to take advantage, not of the purchasing agent, but of his competing salesman—the fellow that tries to get an inside track. There are many varieties of him, too. Sometimes he comes in the guise of the telephone hound. He calls you up from somewhere down town, says that he's just passing through the city, but simply couldn't leave without getting in touch with you and tipping off the fact that he has just two carloads left that he's willing to sacrifice. He makes me mad, too.

Sometimes he comes as a giver of gifts, and in that guise he's often disgusting because he lacks tact. The thing of giving presents to purchasing agents is a delicate matter. My advice to salesmen is to keep off. The chance is that the P. A. will refuse to accept anything—that's the wise and honorable course for the P. A.—and if the salesman happens to blunder in his technic in offering the thing, he disgusts the buyer.

I know of one shining example of a salesman who knew how to give presents; and he did it only once a year in a way that couldn't possibly give offense. Randolph sold an office appliance in this territory—worked for a high-class firm. Incidentally, he didn't belong to the "slicker" school of salesmen. His clothes, although they were always presentable, didn't have a Fifth Avenue look. He drove around the territory in a flivver and sometimes he toted his machines around in its tonneau. But that fellow "sold" himself and his company to everybody in his territory, and when his company transferred him to the Pacific coast each of his customers around Pittsburgh felt as if he had lost a member of his own organization.

Now that salesman wanted to "remember" his friends before he left. He was leaving us; there could be no thought that he was trying to put any of us "under obligation" to him by giving us something. Still he did the thing tactfully. He knew that a number of purchasing agents, being stockholders in their own concerns, were interested in market news. And so a short time after he had left, each of us received a little notice through the mails from the publishers of a financial magazine, notifying us that at the request of our salesman friend, each of us had been given a year's subscription

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Customers at Two Cents Each

The Price of a Postage Stamp Brings a New Patron to the Store of this Kansas Retailer

By WILLIAM C. SPROULL

A *FEW MONTHS AGO* John Gardner moved to Lawrence, Kansas. On his first day in his new office he found on his desk a personal letter from H. B. Ober, of the same city. He opened it and learned that a fellow citizen was taking more than a passing interest in him and was concerned in making his acquaintance. Would he be kind enough to drop into the Ober Clothing Company's store on Massachusetts street at any time it was convenient to do so?

Sure he would.

And he did. He did just what almost every other newcomer to Lawrence has done on receiving Mr. Ober's letter of welcome. Furthermore, he dropped in at Ober's every time he wanted anything from a hat to a pair of shoe laces.

Now it was not because his name was John Gardner that he received a welcome in Lawrence and came to the Ober store. John Gardners are moving to Lawrence all the time. It is for them that Prentiss O. Lanham, advertising manager for the firm, has perfected his system of advertising. It is the effective application of the idea of the hand-picked mailing list.

The name of John Gardner was obtained from a real estate dealer who had sold a piece of land to Mr. Gardner. But the name was not all they obtained. They found that he needed a large house, as the family consisted of Mr. and Mrs. Gardner, one son eighteen years old and another fourteen. Mr. Gardner was a lawyer. The Gardner's had an automobile; they owned property; the children would enter school.

These facts were placed on a little card in the Ober office under the title "Gardner, John C." along with 10,000 other cards. From other sources the store learned later that Mr. Gardner was a Mason, that he was interested in golf, that he had belonged to a college fraternity. These facts were added to Mr. Gardner's card. Then the "Gardner, John C." plate in the addressing machine in the Ober office was so adjusted that a notice of arrival of a new line of golf shoes, new togs for a fraternity banquet, new motoring clothes or new lines for school children, would cause the plate to be stamped. And John Gardner was not slow to act on the personal suggestion thus offered.

Harry Miller, who had no children, would not care for a letter about children's clothes, and his brother, who never chased a ball around the eighteen holes, would not be interested in golf shoes. But John Gardner, with a hobby for golf and a desire to see his children well dressed, knew an Ober letter meant something worth while. Thus has been developed a highly specialized system of advertising. The letters always relate to specific articles in which the addressee is known to be interested.

Lawrence is a university town. Ober's, being one of the leading men's furnishings stores of the city, caters strongly to the student trade. An example will show how Mr. Lanham has solved the problem of getting these students into his store.

Edward H. Jones, of Eskridge, Kansas, wrote to the registrar of the University of Kansas, stating his intentions to enroll in the university this fall. A few days later Mr. Jones received the following letter:

August 28, 1920.

Mr. Edward H. Jones,
Eskridge, Kansas.
Dear Mr. Jones:

Mighty glad to hear that you are planning to enroll in good old K. U. this year. We are writing you in purely a spirit of welcome—just to let you know that besides the many advantages of the university you will find other material advantages here in Lawrence.

Foremost of course, in our minds, is the store that has been the headquarters for all men students for the past twenty-five years—the store that has devoted its life, you might say, to the careful study of the distinctive tastes of college men.

This is not an ordinary clothing store, but a series of stores all assembled under one roof; each as complete as if it occupied a separate room where college men can get their individual type of clothes, shoes, hats and furnishings, together with all sorts of athletic goods and equipment.

We believe you will find it advantageous to wait for your fall outfit until you come to Lawrence. It won't take us but a few minutes to fit you out, and "college styles are different."

May we have the pleasure of meeting you soon?

Respectfully,
OBER'S

Just at that time Mr. Jones was planning to buy his fall outfit from a local dealer. Then Ober's letter gave him the suggestion that "college styles are different." Reading that Ober's had made a careful study of the needs of college men for twenty-five years, he realized that he might appear a little more "chic" if outfitted at Ober's. So he put off buying until he reached Lawrence.

He came to Lawrence. A few days after enrolling in the university, he received a letter from Ober's telling him they were mighty glad he had "carried out his intentions by coming to K. U." Now that he was enrolled and settled, would he come in to "see some of the new fall lines in distinctive clothes for college men?" Naturally he acted upon the suggestion.

It happened that Jones joined a college fraternity. A couple of weeks later Ober's reminded Mr. Jones that the Eta Bita Pi fraternity was giving a party the next Friday night and that some new styles just received would be the very thing to wear to that party. Again Mr. Jones took the time to give the new togs the "once over" before the day of the party.

By this time Mr. Jones had started to wear a path to the Ober store—but the path was already paved.

Now let us look how Mr. Lanham went about his campaign.

Every year there are thousands of prospective students writing to the university for information relative to enrollment. Ober's gets a list of these men and sends out the first letter. Then the men come to school. On the first day they enroll. Ober's gets a list of the men enrolled. This is checked up with the former list—new addresses, of course—and a follow-up letter is sent out. During the college year the list will be gone over three or four times to check the addresses. Four or five letters will be sent to the general student body during the year.

Then there is a special class that Ober's caters to. That is the large group of fraternity men. These men are considered the best dressers in the school and Mr. Lanham keeps them in touch with the latest in men's furnishings. A list of these men is easily obtained and forms a highly specialized mailing list that is worth any number of letters. If the Phi Gamms are going to have their annual pig dinner and dance on Friday night, Harry Walters of that fraternity receives a letter on Monday with a few suggestions on the proper togs for the occasion. The Phi Gamm alumni in Lawrence will also receive a copy of this letter. Then when the Beta turkey pull is impending, the Betas receive a letter from Mr. Ober.

The Ober store does not limit itself

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Co-operation—Plus Paulhamus





"Paul" talking straight from the shoulder to a group of members of the Puyallup & Sumner Fruit Growers' Association. (Inset "Paul" himself—otherwise W. H. Paulhamus, the "plus" that has put profits into the association's co-operation

By EDGAR C. WHEELER

IN A VALLEY of black soil, stretching on either side of the Puyallup River from the tide wash of Puget Sound up to the shadow of Mount Rainer, hundreds of berry growers and farmers, banding themselves together in co-operative business association, have made a record of business success that stands by itself in American enterprise.

Co-operation with one boss has brought this success through years of steady growth, where countless other co-operative enterprises, starting with bright hopes, have fallen by the wayside under the load of too many bosses and would-be bosses.

The phenominal record is this:

The Puyallup & Sumner Fruit Growers' Association, co-operative marketing organization, has been doing an average business of $2,000,000 annually on a capital of $2,700!

A few months ago—Saturday, April third, to be exact—a thousand berry growers steered their automobiles with their wives and children to the high school building in the little city of Puyallup, located in the fertile valley between Seattle and Tacoma, Wash. There, in the style of true captains of industry, they "cut the melon."

It was a juicy, $153,000 melon, representing the undivided profits of their co-operative association from 1908 to 1920, after the association had paid each grower more money a pound for his fruit than that paid to growers of similar berries in any other part of the United States!

Right here, after allowing time for the full significance of this record to sink in, would be the logical point for the European dreamer of a co-operative commonwealth to sing his "I told you so"; also for the hard-fisted, successful business man to begin to ask questions.

A $2,000,000 yearly business on $2,700 capital!

How was it possible? What has been the ingredient that has enabled an association of simple farmers to ripen and cut a $153,000 "melon" after receiving full payment for the products of their labor?

In the recipe may be found a deal of solid thought for the theorizing co-operative enthusiast as well as for the practical man of affairs who may snuff derisively when the word "co-operative" is spoken. The recipe is this:

Co-operation—plus "Paul."

Or, perhaps, to put it better:

"Paul" plus co-operation.

"Paul," as he is commonly known throughout the state of Washington and in many other parts of America, is a strange mixture of farmer, fighter, business man, politician, financier, republican, democrat, autocrat, hard worker and good fellow—all in one. He is built close to the ground, with two hard fists, a mind and will of his own, and a conversation to match.

He is W. H. Paulhamus, president and general manager of two Puyallup valley enterprises—the Puyallup & Sumner Fruit Growers' Association, a purely co-operative marketing organization, and the Puyallup & Sumner Fruit Growers' Canning Company, not so co-operative.

He is to the co-operative association of valley farmers what the sugar is to the jam. He has held it together for nearly a score of years, and he is still the ingredient that continues to give it successful solidity.

"Paul" is the manager—and he manages. His word goes, backed by bulldog determination, keen business sense and the shrewdness of a politician. Many and bitter have been the fights for the upper hand—fights in which he has been the victor through sheer force of personality. Time and again, when this Mr. Farmer and that Mr. Berrygrower, each with an individual idea on how to co-operate, have attempted to "run things" all over the

valley, "Paul" has hung on and poured in the coagulation.

And the jam has jammed.

The Puyallup & Sumner Fruit Growers' Association had its beginnings in 1902. At that time the growers in Western Washington's berry patch were having difficulty to find a market for their fruit. The total acreage of berries then did not exceed ten acres; yet on certain days they found there was a greater supply than the local markets in Tacoma, Seattle and nearby towns could handle.

Paulhamus called a meeting of the growers at his farm in Sumner. There he pointed out the urgent need of expanding the market. It was necessary, he showed them, to ship nature's plentiful supply of luscious red and black berries in carload lots. No single grower then could attempt such an undertaking. Nor can an individual grower now ship out a carload of berries in a single day.

The only way, "Paul" told them, was the co-operative way. His word went. The growers co-operated. In the association that was formed there were 1,800 growers. Of these, 98 per cent were owners of one share of stock each, at a cost of $1 a share. The other 2 per cent owned more than one share each, but no single member was allowed more than fifteen shares at a total cost of $15.

The members of the association quickly discovered that while they had plenty of berries they had very little money for operating capital. With Paulhamus at the helm, using his personal influence, they finally arranged with banks to furnish sufficient funds to pay for picking the fruit, for labor necessary to operate their canning plant, and for buying sugar.

Into the same jackpot a manufacturer of cans put the much-needed cans, with the understanding that when the goods were sold the grower should be the last man to get his share of the proceeds.

Thus, at the close of the season, the bank money was returned, the can company was paid for the cans, and what was left was prorated among the growers, according to the number of pounds of fruit, as well as the variety and quality, that each grower delivered.

The "melon" grew. Along with the co-operative marketing business, the association operated two retail grocery stores from which not only members, but any other persons, could buy food supplies at prices slightly above manufacturing costs. These two stores developed an annual business of more than $600,000. No credit was given and no goods were delivered. The gross profits did not exceed 11 per cent. The actual cost of operation averaged about 7 per cent leaving a satisfactory profit to the organization.

Such a method of aiding the berry growers in buying food supplies at the lowest possible cost did much toward keeping the farmer on the soil and it was responsible, to a large extent, for his success as a farmer.

The Puyallup & Sumner Fruit Growers' Canning Company is the most recent development. With its arrival the valley berry industry is operated under two corporations. The Fruit Growers' Association, on the one hand, is the purely co-operative marketing organization. It markets all the fresh fruit. That portion which is suitable for long distance shipment, amounting to from 25 to 33 per cent of all the fruit grown, is loaded into cars and sold for fresh consumption. The remainder is sold to the canning company plants, which manufacture it into "Paul's Jams," the chief product.

Today the two companies, operated with the same board of directors, represent what is said to be the largest manufacturing industry in the state of Washington, and the largest industry of its kind in the United States. In the two canning plants at Puyallup and Sumner 1,200 workers are employed. In the fields 10,000 berry pickers harvest the crops. At the Puyallup plant the warehouses and manufacturing departments extend for a quarter of a mile adjacent to railroad sidings where cars in endless stream are being loaded.

"Paul's Jams," containing some of the finest fruits grown anywhere in America, are making themselves known from coast to coast and from border to border.

This summer the co-operative marketing association has shipped out as many as twenty-six carloads of fresh Cuthbert red raspberries in a single day. The abundant blackberries, loganberries, raspberries, strawberries, springing up from the black soil in rich clusters, have come into their own through co-operation – plus.

Perhaps the most significant light has been thrown on this plus sign in the formation of the new canning company. With it comes the frank admission from the management that a co-operative enterprise, even on as prosperous a scale as that in the Puyallup valley, needs a strong hand at the wheel, or at least plenty of safeguards thrown about it, if its success is

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(Left) Harvest time in a Puyallup blackberry field. (Right) Blackberries plus sugar — result, "Paul's Jam"

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Getting the Farmer's Business

How an Indiana Heating and Plumbing Concern is Cashing in on Purdue University's Survey of Rural Living Conditions

By M. E. BASCOM

TO THE MAN on the outside it sometimes looks as if the average small-town business man is quite content to sit in his store and watch the farmer's trade go by—via parcel post or the express wagon. At any rate he doesn't seem to make much of an effort to get his share of it.

While the mail order house is doing everything that modern commercial enterprise can devise to render service to the farmer and his family, John Jones, the furniture man, and Bill Smith, the hardware dealer, are too often content to pass the time of day when they happen to meet Mr. and Mrs. Farmer out in the family flivver on a Sunday morning; except for a daily or weekly ad in the town paper they seldom try to get into closer relationship.

There is no doubt that the vast farming population of the country offers a perfectly legitimate field of operation for the mail order houses, and the farmer and his wife have every reason to be deeply grateful to them for bringing within reach of the farm home all the comforts and conveniences the city knows.

But there's a lot of that business—enough to go around—and there's no reason why the retailers in the small towns and cities shouldn't get a large proportion of it.

An awakening has been noted, to be sure, and more and more frequently nowadays one hears of some live-wire small-town tradesman who lands one right on the solar plexus of the fat catalogue and walks away with a large slice of country business.

A furniture dealer, for instance, puts a kitchen cabinet and a demonstrator on a delivery truck, takes them right up to Mr. and Mrs. Farmer's back door, and sells her in about 60 per cent of the cases, too.

Another one offers to furnish up a room in Mr. Farmer's home in the style that the furniture dealer considers appropriate, or offers to send out a bed davenport for a few weeks' trial; if the family doesn't like these furnishings at the end of the time he will take them back without charge to the farmer. If they do prove suitable—and the dealer makes pretty certain that they will—he gets the contract to furnish the rest of the new things the home needs. Furthermore, it is more than likely he will get the furniture business of that family thereafter.



One of the many classes that attended the lectures and demonstrations given by Purdue University experts on the Indiana Home Special train. The train stopped a day in each place to allow for three two-and-a-half hour programs—one each in the morning, afternoon and evening

Again, the hardware man steals some of the thunder of the public utility companies by demonstrating a gas range right at the farm home, if gas is available, or an electric washer, and when he does it he's sure to get the business.

The lumberman is doing a little personal missionary work among the farmers nowadays and is getting large returns. He goes out among them in a friendly way and shows them the value of proper shelter for their machinery, the economy of proper hog houses, portable granaries and the like, and he helps to design and build their houses, thereby taking a wallop at his particular ogre, the catalogue of ready-cut houses.

THE plumber heretofore has considered his business as confined almost exclusively to the city, and as a rule hasn't made much of an effort to go after farmer trade. It didn't look like a lucrative field for him. But there is one concern in this line that looked over the surrounding country with a view to finding out just how much opportunity is offered, and as a result of the survey decided to go after country business. And numerous farmers around Lafayette, Ind., have reason to be glad that he did.

In more ways than one, Lafayette is a fortunate town. For one thing, it is the home of Purdue University—one educational institution that believes that the greatest mission of a university is to serve its community.

Another reason is the fact that here is located the Lane-Pyke-Werkhoff Company, dealers in plumbing and heating supplies and experts in domestic engineering. A third reason is the fact that these two institutions have got together; the plumbing concern is aiding the university in its effort to improve living conditions in the surrounding country—business, of course, but nevertheless a very good work.

The Lane-Pyke-Werkhoff Company had built up a good big business in the city and had every reason to be satisfied with itself. But instead of leaning back and taking it easy for the rest of their lives, its members began to look farther afield for new worlds to conquer. Why shouldn't they get business from the farmer? They noticed that the farmer seemed to be pretty prosperous. They saw him coming into town by the hundreds—not only on Saturday night, but every night—in handsome automobiles and up-to-date clothes. Certainly the city movies were getting their share of the farmers' patronage. Why shouldn't the city's stores, and especially the Lane-Pyke-Werkhoff Company get it also?

The company's managers decided that too little attention was paid to the farmer. He needed special treatment if he were to be drawn into the city's merchandising field. So they began to study the best method of reaching him. They decided first of all to make a thorough canvass of the vicinity and find out just how the land lay in regard to their own special lines.

It was just at this point that Purdue came in. The university was making a thorough survey of the entire state of Indiana as the beginning of a

campaign for country improvements. The plumbing company followed the work with a survey of its own possible clientele, a survey that revealed an astonishing scarcity of plumbing equipment in farm homes. Thus from two sources were gathered the facts concerning the farm homes of more than 4,000 families in the vicinity of Lafayette.

The university followed its survey by a very effective campaign for better living conditions among the farmers, sending a demonstration train over all the railroads of the state. This train was fitted up with plumbing, heating, water-supply and sewerage devices that had been approved by the university scientists. These were demonstrated in various communities, with the result that the farmers became interested in modern sanitary equipment.

The Lane-Pyke-Werkhoff Company followed the campaign of the university with one of its own, driving home the lesson by effective advertising in every medium that would reach its country clientele. The first thing it did after all the statistics were gathered was to prepare a mailing card, which announced:

A Survey of Four Counties Has Developed Some Interesting Facts, as Follows:

1. A farmer's wife works 15 hours per day in the summer and 12 hours in the winter.
2. On 81 per cent of farm homes water is carried into the kitchen by hand.
3. Outdoor toilets prevail in 92 per cent of the homes.
4. No bathtubs were reported in 94 per cent of the homes.
5. Electric lights were missing in 97 per cent of the farm homes.
6. Ninety-six per cent of the farmers have automobiles.

Lane-Pyke-Werkhoff Company, Lafayette, Indiana

Not a single superfluous word marred the effect of the statement; no comment was needed.

Automobiles owned by 96 per cent of the farmers. All right. Good thing. We all appreciate the automobile. But—no water in 81 per cent of the homes? No bathtubs in 94 per cent of them?

Electric lights missing in 97 per cent of them? Outdoor toilets for 92 per cent of the farmers' homes? Not so good, you'll say.

This card was accompanied by a letter and a self-addressed postal card. The letter began as follows:

Mr. John Doe,
R. F. D. No.— Lafayette, Ind.,

Dear Sir:

We believe that you are interested in the movement for better and more complete country homes, and that you realize that modern conveniences are even more necessary on the farm than they are in the cities, and that people out in the country are entitled to as good as the best.

The fact is that this amounts to a demand that must be met if high-class boys and girls are to be kept on the farm, and in our judgment the time has arrived when good heating, plumbing and lighting in the farm home will be regarded not as a luxury but as a necessity, and no more to be neglected than the roof over the house.

For many years we have been planning and building farm home equipment and we can offer you a service equaled by very few houses in Indiana.

THE letter then very briefly sketches the special service and equipment the company is offering the farmer and closes with a reference to the engineering service and cost estimating features.

The return postal card asks the recipient to check the items he may be interested in—plumbing or water plant; vapor, steam or hot water heat, or electric light and power.

The letter, with the enclosures, was sent to a carefully selected list of 2,000 farmers. A. E. Werkhoff, secretary of the company, told me that while many replies came in on the cards, a good many people came into the store in person to inquire about the company's various devices.

When all the replies and personal queries were thoroughly sifted, first by personal letters and then by personal interviews, the net result of this one appeal proved to be 150 good prospects—an unusual return. The cumulative effect of the university's campaign and the continued hammering of the company's daily advertising doubtless will bring in others in the course of time.

"But the big thing for us," said Mr. Werkhoff, "is that we have awakened interest among the country people and made the majority of them do some tall thinking, which of course means future business.

"When we get a 'prospect' interested, the rest of our plan is based entirely on service. No prospect lives too far to receive our best attention. Our engineering service is free for the asking. We stop at no effort or inconvenience; we are trying to build a reputation for thorough service, skilled labor and dependable materials. As a result we have already handled farm home installations all over Indiana and some parts of Illinois, and we have even sold and shipped to Colorado.

"The inquiries brought in by the return postal cards were followed up by personal letters; thus we separated those that meant business from those that were merely curious. Every real prospect was interviewed by a representative of the company—one who thoroughly knows his business. As soon as the prospect became sufficiently interested, plans were prepared in the company's service rooms to suit his particular case; when these plans were found to be satisfactory, the water or heating system was installed, scientifically fitted to that particular house and guaranteed by the company.

"Each finished job is an advertisement of our ability and service and does more to bring new business than all our other advertising put together."

Thus does one concern go after country business and find it well worth while. Although this line is especially adapted for catching the farmer's attention at the present time, there is scarcely a single line of retail business that would not profit by making an effort to draw the farmer trade.

For the farmer has more money than ever before. He is reading more magazines and newspapers than ever before. His automobile takes him to the city, where he learns all about the present-day comforts available to the city home. His wife, too, is learning how she can manage to have just as comfortable a home as her city sisters. His daughters are coming home from the state university with new ideas and high ambitions. His family, in fact, offers the retail dealer of his nearest town a tremendous opportunity.

And the man who siezes that opportunity is not the one who will complain when the next business depression arrives.



Model light and power plant in one corner of the laundry-kitchen-bath room car of the Indiana Home Special train. The train was provided by the New York Central Lines and consisted of four cars, each of which was used to demonstrate a special line of equipment for farm homes

Keeping Books With Goods

By H. N. McKAY

THE MERCHANT world of America is in the grip of a bad habit. The evil effects of the habit are very costly and sometimes disastrous, but the cause is seldom recognized. We have been able to get along in the past in spite of this bad habit, because our general economic health has been excellent, our profit margins fairly comfortable, and the pace of competition not too hot.

It is all too plainly evident that those days are gone. We are facing years, perhaps, of abnormal economic conditions; our merchants must work between the upper millstone of declining prices and reduced gross profits, and the lower millstone of almost incompressible expenses.

The bad habit that hampers our merchant world is the over-emphasis of the dollar as a gauge of merchandising. We have made it almost our sole gauge of business, although considered merely as a gauge the poor distorted dollar of today is about as valuable a measure as a crooked stick. Nevertheless we keep books with our dollars, but rarely with our goods. We commonly measure the vital merchandising factors of our business—sales velocity, turnover, buying, stock on hand—all in terms of dollars, as if we were bankers and dealt only in money. It is an amazing fact that while merchants know about their dollars, they mostly guess about the goods on which their dollars depend.

The habit of emphasizing money accounting to the neglect of merchandise accounting, of shepherding the dollars and not the units of goods, originates in the human tendency to follow lines of least resistance. It is easier, of course, to work only with dollars in our records. Unfortunately it is easier, too, to deal in generalities even with money, so we usually try to gauge the vital facts of our merchandising in terms of vague total amounts of dollars, subdividing them sometimes as far as departments, but rarely by specific lines and almost never by commodities. Seen in the right perspective, this is about as sensible and safe a procedure as trying to maintain an efficient supervision over customers' accounts by using only bulk totals.

It is a thought worth pondering that sums of money can represent nothing whatever but the results of merchandising. Money totals are static things that show facts at a given moment. They never portray causes but only effects, the true origin of which we usually guess at. Nothing but a consecutive record of merchandise movements—a cinema of business—can, by showing active tendencies, reveal causes at work.

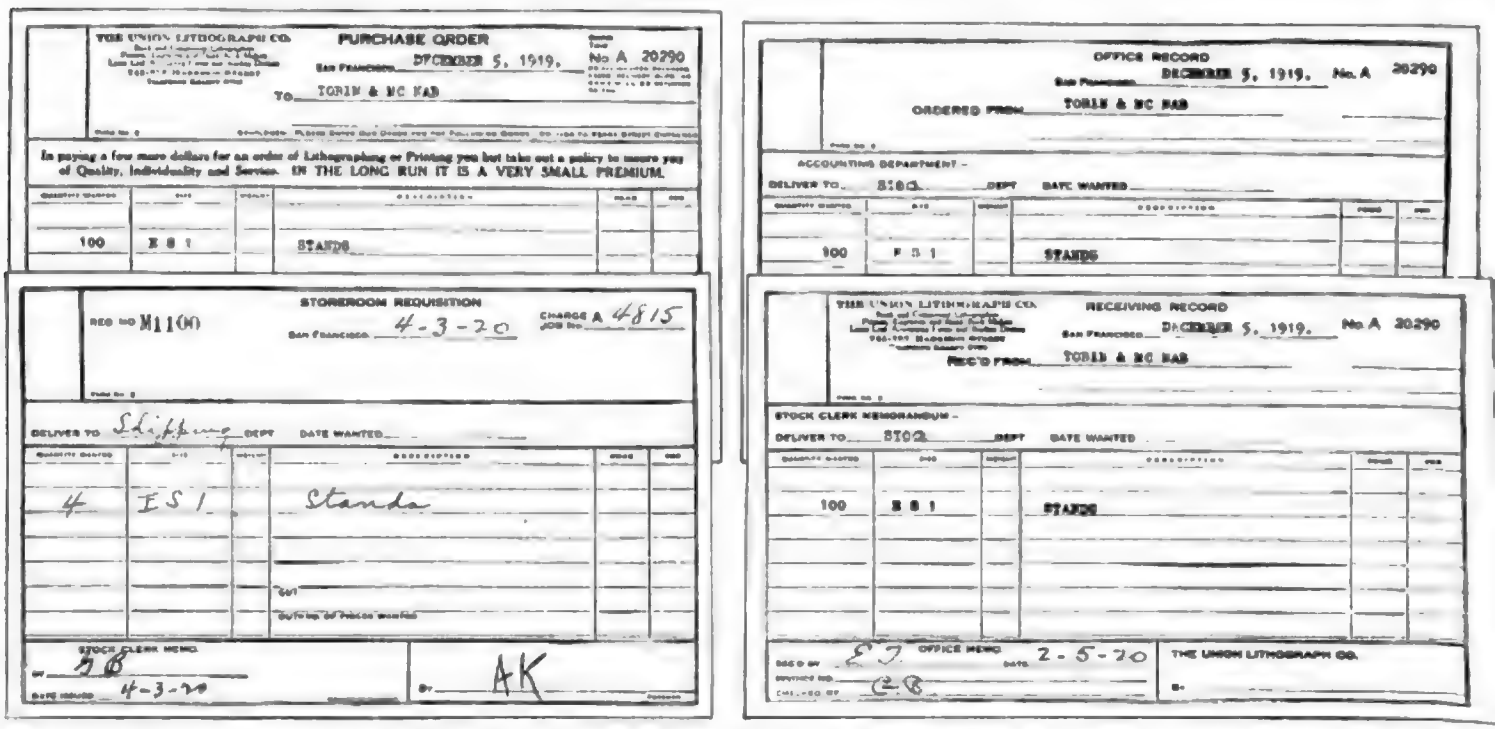
The dangerous fallacy of our bad habits of mercantile accounting can perhaps best be illustrated by an analysis of the merchandising cycle.

We start with capital in the form of cash in the bank, and turn it into goods, in order to turn these goods into more money.

While our capital is in the form of dollars in the bank we watch it like a hawk. If our record of the bank balance differs by five cents from the bank's statement we check every transaction until we run down the discrepancy. Now if a bank tried to hold out on us any of our rightful dollars the laws of the land would protect us. Not once in ten thousand times does a business fail because a bank kept any of its capital, yet we are careful to keep books with every penny of it that the bank has.

When our capital has become dollars once more, in the form of credit on our books, again we watch it like a hawk. If our trial balance is out by so much as one dollar we work nights to run down the difference. Yet the law will help us collect all that is honestly owing to us. A failure because of bad debts is rarely heard of in modern business; yet we wisely insist on the full light of accurate knowledge in our money affairs.

But while our capital is in the form of goods on the shelf, though it is just as truly capital still and is subject to far more risks than our dollars, it rests under a cloud of ignorance. Under this sheltering cloud, this fog of guesswork and approximation, the wolves and the weasels are working, eating up capital. Their names are Waste, Theft, Bad Buying, Stale Stock, Short Stock, Mislaid Stock and Carelessness. When


THE UNION LITHOGRAPH CO.
PURCHASE ORDER
San Francisco, DECEMBER 5, 1919. No A 20290
TO TORIN & MC NAB
In paying a few more dollars for an order of Lithographing or Printing you but take out a policy to insure you of Quality, Individuality and Service. IN THE LONG RUN IT IS A VERY SMALL PREMIUM.
100 E S 1 STANDS

OFFICE RECORD
San Francisco, DECEMBER 5, 1919. No. A 20290
ORDERED FROM TORIN & MC NAB
ACCOUNTING DEPARTMENT—
DELIVER TO 8100 DEPT DATE WANTED
100 E S 1 STANDS

STOREROOM REQUISITION
REQ NO M1100
San Francisco 4-3-20 CHARGE A 4815
DELIVER TO Shipping DEPT DATE WANTED
4 E S 1 Stands
STOCK CLERK MEMO
BY SB
DATE ISSUED 4-3-20
BY AK

THE UNION LITHOGRAPH CO.
RECEIVING RECORD
San Francisco DECEMBER 5, 1919. No A 20290
REC'D FROM TORIN & MC NAB
STOCK CLERK MEMORANDUM—
DELIVER TO 8102 DEPT DATE WANTED
100 E S 1 STANDS
OFFICE MEMO DATE 2-5-20
THE UNION LITHOGRAPH CO.
BY

Forms used by the Union Lithograph Company in buying and recording stock

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a merchandising business fails it is because of these wolves; because of what happens under the fog. No law in all the earth will protect a merchant from the depredations of these marauders, because he himself is responsible for their existence. Yet from age-long habit the great majority of merchants elect to leave their goods in the dark and keep only their dollars in the light.

Once in a while—once or twice a year perhaps—we drive a flash of lightning through this cloud in the shape of an inventory. It shows us what the wolves have left, but we never catch them at work. Most times we guess at what has happened in the interval since the last lightning flash, and we prosper or go broke according as our guesses are good or bad.

There is only one way in the world by which the cloud that hampers our merchandising can be cleared from our shelves, and that is by using the same means that keeps our dollars in the light. We must Keep Books with Goods.

The contrast between the way we care for our dollars and the way we mishandle our merchandise is often startling. What would we think of a merchant who, to verify a customer's credit, looked up or estimated his sales to him, telephoned and asked the customer how much he still owed on the account, took it for granted that the difference represented prompt remittances, and on the strength of the deduction sold him a lot more? How long would a merchant last who was so careless with his money?

Yet many a merchant, in order to decide how much of a commodity to buy for stock, looks up or remembers approximately the time and size of past purchases, counts what he sees on the shelf, assumes that the difference between what he bought and what he sees represents goods sold at a profit, and buys a lot more. And he calls that merchandising, and wonders that his theoretical net profits do not become actual earnings.

How could any man not a wizard, unless he kept books with his goods, have in mind that part of the last shipment was transferred to branch stock; that some were returned to the makers as defective; that some have been stolen; that some were misplaced; that the present stock, at the rate they have really been selling, will last four months; and that to invest in more only means that much more precious capital frozen? Remembering all the things that can happen to goods on the shelf besides sales, buying on such slim data as how many were ordered and how many are now visible resembles much more a simple-minded trust in Providence than it does efficient merchandising.

The same merchant who handles his units of goods in this hazy fashion can sit at his desk with one of his sales ledgers before him, go through any part of his territory, and know just who is buying and whose business is falling off, who is paying his bills, who is discounting, who is delinquent, who is returning merchandise, who needs specific attention, and all the pertinent facts of his business as to customers and dollars. He can do this because he keeps books with his customers, and every fact having to do with his money relations with a customer is quickly entered to that customer's account. He would look at you in wonder if you suggested that he could do without that record and save its cost. It would cost infinitely more not to keep that ledger than to keep it. He would be financially blind and helpless without it, and he knows it.

Yet when the suggestion is made to this merchant that he keep books with his goods in the same way as his dollars, his first thought is usually that the cost would be too great.

He is obsessed in the first place with the superstition that accounting overhead is justifiable only when watching dollars, and that nine-tenths of it at least should be for that purpose. In the next place he does not yet realize that money spent on stock records, instead of being expense, is the most profitable investment in merchandising.

LET us consider a few examples of successful stock record systems. After the Patton Paint Company, of Milwaukee, had used a stock ledger on the perpetual inventory plan for several months, the results of buying on accurate information were striking. Careful watch had been kept, of course, for slow-moving goods; but particular attention had been paid to goods which, while moving satisfactorily and readily obtainable, had not been purchased for many months. This threw a spotlight on overbuying, the sheerest waste of capital. The cold facts are that by this method of investment control the amount of money required for working capital was reduced by more than 20 per cent, although the volume of business increased.

Picture the difference, in these times of economic uneasiness, credit constriction and high-priced money, between going to your banker or to the investment market for additional working capital, and finding it right in your own business, not only free of interest burden, but often with sounder business health and extra floor space as a bonus for accepting it. Releasing frozen dollars is only one of the dividends from keeping books with goods.

For further evidence drop in at the Union Lithograph Company, in San Francisco, and ask for B. S. Hubbard, who is president and manager of one of the best-known houses in this line in the West. You will be ushered into the office of a well-knit man in grey, grey of hair, with keen blue-grey eyes that twinkle, and a calm smile. No matter what the press of business on his always busy desk, if you ask him about stock record keeping he will gladly turn from his work to contrast his company's merchandising of the past four years, built around a perfectly kept stock ledger, with the methods of the old-fashioned days when the goods were handled in the dark.

He will tell you first that he is a merchant, whose main business is that of selling manufacturers of paper and related merchandise, and that his problems are those of every merchant plus those of a manufacturer. Then he will tell you what it means to have instantly available all the data about any commodity in stock. Before he has half finished he will make you understand that he would just as soon abolish the accounts receivable as the stock ledger, and that knowing all about a given commodity is just as simple as knowing all about a ledger account.

He will probably call up Peter Tennett, the stock man, and tell him he wants a line on, say, Triple X Number 3. In a few moments Peter will come in with the information that there are 560 pounds of it in stock, that 1,000 pounds were ordered last week, due to arrive in thirty days. It is Peter's opinion that unless it looks like a shortage, or a price well below the market, there is no need to buy now. And Peter isn't guessing at his facts. He stopped on the way in and got from the stock ledger clerk a sheet which he has in his hand. On it is the balance on hand of Triple X Number 3, which Peter has verified at the location shown on the sheet. The record also shows every movement of that article into or out of stock for months past, and what is on order. That is scientific merchandising.

If you go up to the accounting department you will see one section of it given over to the young woman who keeps the stock records. She is the Bookkeeper of the Goods. Nor will you find a complicated system, but instead a method as simple as its results are valuable. Just as there is an account in the dollar ledgers for each customer and creditor, so there is an account in the stock ledger for each commodity over which it is desired to keep watch. Every ledger is merely a means of bringing together related facts of business, and the immensely valuable dividends of accurate stock-keeping are merely the results of bringing together on one record all the facts having to do with the physical units of a given commodity as they come into and move out of stock.

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Whenever goods arrive at the receiving department of the Union Lithograph Company, from whatever source, a receiving record form goes at once to the stock ledger clerk, who posts it to the debit of the account of that commodity. The entry shows the date of arrival, the number of the receiving record in case of reference, the quantity received, and a new balance in stock increased by that arrival.

When goods go out of stock to a customer on an order, or are issued on a requisition from the factory, a copy of the order or the requisition goes to the stock ledger clerk and is immediately posted as a credit to the ledger sheet for that commodity, the entry showing the date of issue, the reference number, the number of units going out, and a new balance in stock decreased by that issue. It takes scarcely more than half a minute to make such an entry and restore the stock sheet to its place in the ledger.

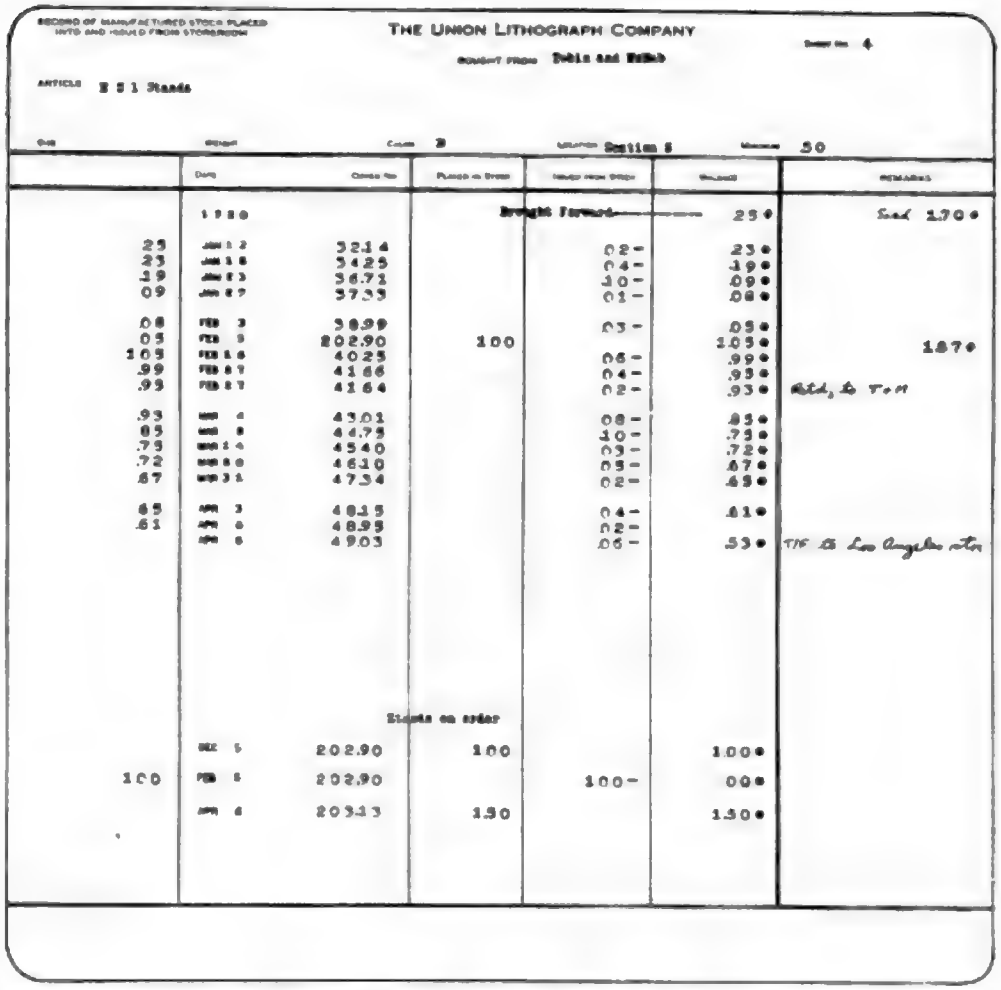
Goods transferred to a branch or sent back to a supplier are entered as credits in the same way, and goods returned from customers are entered on the debit side as receipts. Such special entries carry a notation in the "remarks" column on the stock sheets. It has been found that these unusual movements of merchandise are often more illuminating than routine entries in watching commodities. This "remarks" column is also utilized to enter the new cost price when an arrival of goods shows a change of price compared with that of the last shipment received. The full data on costs, price movements and inventory value is thus made available without reference to other records.

On many commodities the account number of the purchaser is entered in the "remarks" column, so that the sales department may determine quickly just where the volume of demand for that article is in the trade, and can follow the trend of a customer's buying. It is a common occurrence at the Union Lithograph Company to have an order doubled, at a quantity price, when the sales department phones the customer the exact data shown by the stock ledger on his increasing purchases of certain goods.

Better service to customers and better sales have proved to be among the dividends from Keeping Books with Goods. Quick information enabled Peter Tennett to land a big contract in Los Angeles last month because he could wire an instant reply as to the quantity of a special stock available for immediate shipment and for future delivery.

An unusual feature of this firm's merchandise accounting is the automatic control it exercises over the buying. A minimum stock is indicated in the heading on each stock sheet, based not on guess but on the known average rate of consumption, and on the time required to get new stock. When the stock ledger clerk, on finishing an entry, notes a remainder balance close to the minimum, she immediately makes out a purchase order form in triplicate for that commodity, which goes to the stock man. He checks the actual goods with the balance that should be on the shelf, and completes the order by noting on it the name of the supplier and the quantity required. This all-important factor is determined from the actual demand shown on the ledger sheet.

The automatic purchase control and the exact facts on which buying is based have proved invaluable to this house in the elimination of waste capital through overbuying and of lost business through underbuying. According to Mr. Hubbard, who has carefully compared the workings of the old-fashioned system and the new, it would require from 15 to 25 per cent more working capital to handle the present growing business of the Union Lithograph Company without a stock record. It was nothing unusual in the old days to order high-priced stock, believed to be low, and then find plenty of it hidden away in another place.



THE UNION LITHOGRAPH COMPANY

				Brought Forward	250	Sent 1700
25	Jan 12	3214		02-	230	
23	Jan 16	3425		04-	190	
19	Jan 23	3671		10-	090	
09	Jan 27	3755		01-	080	
08	Feb 3	3899		03-	050	
05	Feb 5	202.90	100		1050	1870
105	Feb 16	4025		06-	990	
99	Feb 17	4186		04-	950	
95	Feb 17	4164		02-	930	Rtd. to Tom
93	Mar 4	4301		08-	850	
85	Mar 8	4475		10-	750	
79	Mar 14	4540		03-	720	
72	Mar 18	4610		05-	670	
67	Mar 21	4734		02-	650	
65	Apr 3	4815		04-	610	
61	Apr 6	4895		02-		
	Apr 6	4903		06-	530	Ttf to Los Angeles ster
			Stocks on order			
	Mar 5	202.90	100		100	
100	Feb 5	202.90		100-	000	
	Apr 4	20343	130		130	

A page from the Union Lithograph Company's stock ledger

While the character of the personnel of this organization is very high, the management feels that there is a real value in the moral effect of a stock ledger, aside from its definite merchandising benefits. Employees are less likely to succumb to the temptation to help themselves to merchandise when they know that in the office there is an exact record of what should be on the shelf, and that some section of the stock record is constantly being verified. This house believes that it owes it to its employees not to make theft easy to "get away with."

It is hard to get away with anything much at the Union Lithograph Company. Ask the salesmen who call to sell them goods. The never-sleeping stock ledger is well known to them, and Mr. Hubbard's quiet office has witnessed many a sales tragedy: a wonderful selling talk slain by cold comparative facts. But the same office has also seen many a salesman go away with an order twice as large as he hoped to get, and the definitely concrete reasons for that order have made it easier for him to sell the rest of his trade.

Because no important fact about merchandise is left to memory or buried in various files, the president of this firm or any of his lieutenants can select a section of the stock ledger covering any group of commodities and

(Continued on page 29)



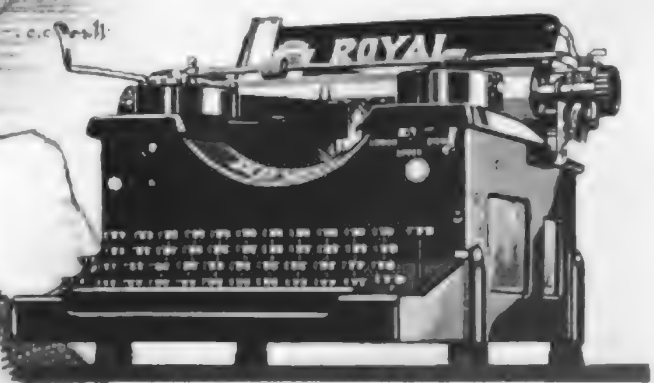
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The action of the Royal Typewriter, like that of a grand piano, responds almost to an indication by the finger of the key desired. There seems to be no conscious effort of striking it. There is a rapid calculation, a selection of the character and lo! the impression appears, as if by magic, on the paper.

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Then, too, there are the beautiful type impressions giving character and clearness to the typewritten page —a source of satisfaction to stenographer and employer alike.



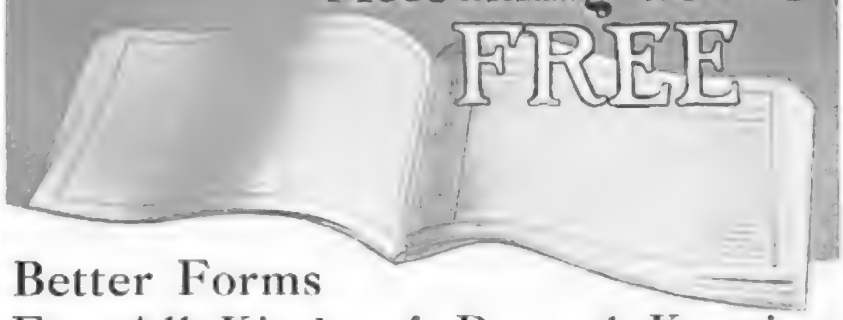
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Please send me your book "Why Walk," and further descriptive matter.

NAME

ADDRESS

.....

VERTISING SECTION

The Coal Pile Comes First

(Continued from page 7)

In the matter of clearing up congestion, however, the industry of the country is to have an important part. It can assist materially by expediting unloading of coal at its plants and by refusing to re-load the empty coal cars with industrial products or waste materials.

The bane of the coal industry is the long haul. An industrial plant in Minnesota that burns West Virginia coal makes it necessary for the car carrying that coal to travel a great distance. It may be that this plant is so equipped that it can burn economically only West Virginia coal. But if this plant can use an Illinois coal or an Indiana coal, its fuel can be supplied by cars that travel a much shorter distance and therefore transport a greater amount of coal in given time.

This is a problem that the purchasing agent should take up with the fuel engineer of the plant. Investigation may prove that a cheaper coal mined at a shorter distance from the plant will give as satisfactory results as a more expensive coal, brought from a far-removed source.

If he carries out this program the purchasing agent not only saves his industry money, but at the same time adds to the supply of high-grade coals for the use of those consumers who cannot burn the cheaper grades. This would benefit certain industries; and it would tend, also, to conserve the amount of coal available for domestic consumption, since the average household heating plant cannot burn the lower grades of fuel.

Conservation of coal today is a national duty. All industries should exercise every possible precaution to make sure they are getting maximum results from the fuel they consume. When a nation is on the verge of an industrial shutdown because of a coal shortage, it is absolutely essential that such coal as is produced be used efficiently.

It seems safe to expect that the railroads, as well as the government and the operators, will do their part to increase production and to accelerate distribution. Under present conditions the railroads are paying as high prices, comparatively, for fuel as are the industries. It is to the carriers' advantage to speed up transportation, if possible. Many of the operators are losing money. Increased production from their point of view, while it would mean a reduction in the price of coal, would mean an increase in their profits. As for the government, it has awakened to the crisis that confronts the nation and is using its power to relieve the situation as best it can. Industry's opportunity lies before it.

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"—But Not the Stranger's Check"

Continued from page 9

It has always been a reasonably far cry from the dry goods store to the saloon. True, it happens that just now the cry isn't as far as it used to be. Nowadays the corner saloon is just about as dry, theoretically at least, as the dryest dry goods store. But the two places of business, it may be admitted, are highly dissimilar. And yet they have one thing in common—or used to have. They both are asked, and frequently, to cash checks.

In St. Paul, Minnesota, lives a man who once ran a saloon—a man who has learned his lesson. He is a sadder and a wiser man. Today, as he presides in his soft-drink emporium that once was his "place," and still has as relics of bygone days its bar and back-bar, and as he broods over the foibles and the frailties and the funny-businesses of human nature, he looks the part of a sadder and wiser man. In sadness and wisdom he seems to have reached the point of saturation.

Hanging on his back-bar is a framed-and-glazed exhibit. It is some two or three feet wide by some four feet in height. Across the top is printed, "Why I Don't Cash Checks." And beneath that legend is displayed the "pinkest" collection of "pink" checks that ever delighted the morbid eye of a specialist in off-color checks.

Occasionally some patron fails to see the exhibit—although one must needs be half-blind not to see it—and asks to have a check cashed. The proprietor has one stock reply to that request:

"I cash all checks at 3 a. m."

At 3 o'clock in the morning the place is closed and dark!

"Make Your Dates Here"

THE firm of A. Hamburger & Sons, Inc., Los Angeles, Cal., has found something new in the way of rest-room conveniences. A large ledger, for the use of women shoppers, has been placed in the rest rooms and has proved a convenience for all sorts of purposes. The book occupies a slanting shelf well supplied with pencils, pen and ink.

Messages are left by those who are unable to keep appointments. Shopping directions as to collar sizes, shades of fabrics and names of phonograph records, advice as to how long Margaret should roast the beef and similar messages are frequently entered in the book. One idle searcher discovered evidences of a promising romance.

The ledger is exceedingly popular and is bringing people into the store to establish written connection with friends, with the result that many of them buy.



They Use the Autocall to Build Up Their Business

Conferences held three times a week between officers, officials and plant executives, are largely responsible for the MACWHYTE Company, Kenosha, Wis., being what it is today.

The Autocall takes an important part, for when J. S. Whyte, factory manager, decides a conference is necessary in order that he may get immediate information on production, or to arrange to make delivery on special orders, he relies on the Autocall. It summons the rope and wire mill superintendents, foremen and men from the sales, order and stock departments to his office.

It is an easy matter to call a conference by Autocall. Mr. Whyte tells the phone operator that a conference will be held, she turns to the Autocall Central and inserts a plug under the conference call number. Automatically the special signal is sounded throughout office and factory.

In addition to this special feature the Autocall is used to signal executives who are out of their offices. An executive is never "lost" in this plant when he is away from his desk. When he hears his call a step to the nearest phone puts him in touch with the person wanting him.

Autocall has many other uses. Factories, stores and offices use it in assembling and dismissing employes; hospitals use it to call doctors and nurses; in banks it is used to give an emergency alarm or to reach officials, cashiers or tellers.

Let us demonstrate its possibilities to you—no obligation is entailed.



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(*Incorporated, April, 1908*)

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Soft, Eye-Saving Daylight

Emeralite Daylight Attachment

H. G. McFADDIN & CO.
40 WARREN ST. NEW YORK
Makers of Lighting Devices Since 1874.



EMERALITE

Some Salesmen I Have Met

(Continued from page 12)

to the publication. The thing was neatly done and it couldn't possibly have been construed in the wrong way.

The salesman we all like to meet is the one who realizes that we have little problems of our own, use our heads for something more than hat-racks, and are anxious to buy goods from people whom we know we can trust and depend on. He is of the third class.

The buyer "takes" to a salesman of this kind. He feels that his dollar is buying something more than material goods. He is getting service. If he needs a product of a certain grade and quality for a very exacting use, he knows that anything he buys from this salesman will serve the purpose, because if the salesman's house did not carry such goods no attempt would be made to pass off an inferior substitute.

The wise salesman passes up opportunities to make sales that may prove unsatisfactory to the buyer. He has an eye for future business. If he calls on a customer for the first time he is satisfied to introduce his product, explain its uses and advantages, pass the time of day and depart. If he has the goods the customer wants, he can drop in again later on and make a sale. The buyer has investigated in the meantime and he will know whether he wants to place an order.

Surely it is reasonable to assume that after the salesman has reached a certain point he can go no further, and that from that point to the closing of the transaction the matter is in the hands of the buyer. It therefore behooves the salesman to attend strictly to his part of the deal and let the buyer attend to his. But if the salesman is alive to his opportunities he can improve his inning by planting seeds of service that will consciously or unconsciously influence the buyer when he takes the case in hand.

If, during several years of buying experience, I have absorbed any ideas concerning how a salesman should conduct himself, any bits of advice as coming from the buyer's side, they can be summed up thus:

Be careful about the impression you make—and that doesn't mean being fussy—and remember that the impression is two-fold: of yourself and your firm. Be clean and honorable in your dealings. Give your customer credit for having intelligence; don't try to stampede him. You can help him, if you will, and he will appreciate your help. State your case simply and clearly, but briefly; and when you have stated your case, get out. Don't pester your man by hanging around after your story is told; if you watch him carefully, you'll see signs by which



Burroughs KNOWS!

BURROUGHS sell the world's bulk of adding machines. Obviously, they are office appliance experts. They know that in great institutions—in small businesses, too—the Addressograph handles names in the most rapid, economical and accurate way.

Names of customers, prospects, employees, etc., are "typewritten" 15 times faster than by hand. Errors are impossible.

Prints through typewriter ribbon from durable metal plates easily made by your clerk. Entire list can be addressed, or Removable Tabs on address plates designate "goods wanted," rating, etc. Tabs work with "Selector" which picks out desired plates for addressing—skips others.

There is a Hand, Foot Lever or Electric Addressograph for any name-writing need.

BURROUGHS ADDING MACHINE COMPANY
DETROIT, MICHIGAN
U.S.A.

Addressograph Company,
901 West Van Buren Street,
Chicago, Illinois.

Gentlemen:-

It is a pleasure to advise that our extensive Addressograph equipment has proven a time saver and is in constant use for:

(1) Imprinting names, dates and numbers on employee's pay envelopes and time cards.

(2) Addressing over 100,000 pieces each month of Direct Mail literature to prospects.

(3) Addressing 50,000 envelopes which carry the Burroughs Clearing House to every bank in the United States and Canada.

(4) Addressing 150,000 envelopes which carry our magazine BUSINESS to a selected list of manufacturers, wholesalers and retailers.

(5) Addressing all miscellaneous material and messages to our Field Force. In this connection the Automatic Selector enables us to address literature to any given group of persons or to several groups, at will. The machine automatically picks out the desired plates and returns them to their respective places without any effort from the operator.

The Addressograph enables us to do this work accurately, economically and on schedule time.

Yours very truly,

W H Marsh

WHM/LE Manager Advertising Department.

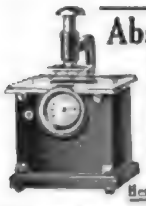
Addressograph

TRADE MARK

PRINTS FROM TYPE

General Offices
905 W. Van Buren St.
CHICAGO

Plate embossing stations in 50 Leading Cities



Absolute Time Records

Know to the minute when work is started and finished, when orders are received and delivered, when letters are received and answered.

Kardex Time Stamps cost little, are built for long service, and work quickly, smoothly and accurately.

Send for catalogue showing various styles with prices

Henry Kardex, 422-424 W. 27th St., New York, N. Y.

"Some Principles of Mail-Order Selling"



Not a get-rich-quick "How" book for the youthful beginner, but a sane, straight-to-the-point discussion of hard-rock fundamentals of success in selling by mail. Based on 10 years mail-order and advertising experience selling most everything ever sold by mail. Tried and proved plans for pulling low cost inquiries and high profit orders for merchandise, service or securities.

48 Pages Chock Full of Cashable Ideas

Printed on white egg-shell book, 2 color cover, substantially bound, pocket size. Sent free only to business executives writing on business stationery and who are prospective users of Gardner advertising service—to all others 50 cents postpaid.

510-0 Ridge Arcade

Ernest F. Gardner Advertising Service, Kansas City, Mo.

"IT'S VISIBLE"

AMERICAN MODEL 41

Price $15.00

HAND NUMBERING MACHINE



123456

Impression of Figures

—Consecutive
—Duplicates
—Repeats

Steel Throughout.

The Machine With the Guarantee.

DEALERS EVERYWHERE

AMERICAN NUMBERING MACHINE CO.

230-236 Shepherd Ave. Brooklyn, N. Y.

New Catalogue on Request

he means to indicate that the interview is ended.

And speaking of signs reminds me of a little joke on myself, with which this article may well conclude. Like every other purchasing agent, I am pestered at times by salesmen that want to hang around. For my own protection, I recently worked out several little schemes to end interviews—little bits of stage business like clearing my desk, closing a drawer ostentatiously or getting up from my desk and buttoning my coat. I had even taken my stenographer into the plot for her co-operation when other tactics should fail.

One day a salesman of typewriter ribbons, or something, had me cornered at my desk. He had finished his talk, but still hung around. I tried all the bits of stage business, but to no avail. Finally I resorted to the one expedient that never had failed. Without the salesman's observing the act, I touched the button that connected with my stenographer's desk in the outer office. The young woman stepped into the room, took in the situation instantly, and knew what was expected of her. The plot had been, you see, that under such circumstances she was to tell me something that would end the interview within ten or fifteen minutes. She glanced at the clock on my office wall and said:

"I just wanted to remind you, Mr. Harbourt, that you have a conference with Mr. Martin at 11:30."

"Very well," I said, without looking up, "I'll be ready."

Then I glanced at my visitor to see how he had taken the dialogue. To my consternation he settled himself in his chair, as if for a good long visit. Then I, too, stole a glance at the clock and saw the reason.

It was 10:20. My stenographer had misread the time by an hour.

And for that whole blessed hour that salesman of typewriter ribbons had me helpless and at his mercy. But I had my revenge. I didn't buy any of his ribbons.



Speed Up Your Business

Your office is probably equipped with every time-saving device—from adding machines to check writers, dictating machines to typewriters.

But how about your Intercommunication System?

If you're still depending upon office boy service, or the ordinary telephone, there is enough lost time and lost motion in your organization to offset all of the other time savers put together.

Speed up your business as fifty thousand busy executives are doing with the

Dictograph

System of Interior Telephone

—the quickest, most convenient, instant, *automatic* means of intercommunication ever devised.

No operator, no "busy" wire, no numbers to juggle. You press the key, sit back and *talk*—to one or half a dozen, and back come your answers as clear as a bell. No effort! No delay! Information is gotten instantly, instructions go direct, conferences are held, details are disposed of—and every man in your organization is kept at "concert pitch"—because through the Dictograph you guide and govern every department.

And not only are you in instant communication with your organization, but every department is in direct, frictionless touch with every other—minimizing error and *speeding up business.*

We have prepared for the busy executive a ten-minute Essay on Efficiency. A copy with my compliments awaits your request. A five-minute demonstration of the Dictograph on *your* own desk will prove a revelation in intercommunication efficiency, and place you under no obligation.

C. H. LEHMAN, *President.*

Dictograph Products Corporation

220 W. 42nd Street New York, N. Y.

(Check one of the squares)

☐ **5-Minute Demonstration**

You may give us a 5-minute Demonstration with the understanding that it places the undersigned under no obligations.

☐ **Free Booklet**

You may mail "An Essay on Executive Efficiency."

Name.....

(Please attach to your letterhead) Bus. 10-20

Fenton Labels

Stick to everything but themselves

—

Fenton Label Co., Inc.

506-512 Race St. Philadelphia, Pa.

Underbidding a Loser

FOR the first eight or ten years after the firm of A. C. Baldwin & Sons, printers, binders and bookmakers, of Austin, Texas, was founded, A. C. Baldwin, its president, was content with such gradual growth as resulted from purely commercial orders. At length there came a time when he resolved to try his hand at state printing. He knew the printing business from A to Izzard and he was well equipped to do the work; all he had to do was get the order.

The contract on which he decided to bid was one calling for printing the entire supply of catalogues, bulletins and pamphlets for all the departments of the state government for two years at a fixed price for each of the several units—composition; presswork; stitching or sewing, including folding, and covers for each book. Mr. Baldwin knew that to get this contract he would have to underbid the company which already held it; he knew, moreover, that this company was losing money on the job, but was prepared to take it at a loss for another year for the sake of prestige.

At the appointed time Mr. Baldwin submitted his bid—and got the contract. It might seem surprising enough that he should underbid a man who was already losing money on that work, but the sequel is still more surprising: Mr. Baldwin not only saved money to the state of Texas, but actually made a profit of $10,000.00 out of a contract on which his predecessor lost money.

The answer to this seeming paradox is simple: Mr. Baldwin was able to compute his costs almost to a cent and knew that operations in his establishment were so planned, scheduled and dispatched that he could do the work for less than the other fellow and still make money. Before deciding on the figure which he finally submitted he estimated the cost of composition and presswork; the cost of paper and cover stock; the cost of printing ink; the cost of bindery operations, and all other items that would be charged to the cost of production. This was precisely what almost any other manufacturing printer would have done, but Mr. Baldwin was able to figure closer and with a greater degree of certainty than the majority of printers.

Mr. Baldwin never guesses about the cost of a job; he always knows. In his ledger are the accounts of 500 customers and by referring to his ledger sheets he can tell the exact cost of any job for any customer, cost of stock, cost of labor and margin of profit. By turning to his tracer record he can find, in black and white, the exact time spent on any operation and the cost of that time in dollars and cents. On the



ONE GIRL and a ROTOSPEED STENCIL DUPLICATOR will do the work of Fifty Typists

75 good, clean, sharp form letters a minute. That is what can be done in your own office by any stenographer or office boy.

Exact Form Letters 20c Per Thousand

Better form letters than you ever thought possible—letters with the clean cut appearance of neatly typed originals that exactly duplicate the typewriter type, can be printed at the rate of 75 per minute on the Rotospeed.

No Type, Trouble or Muss

The Rotospeed stencil is prepared quickly and easily. No type to set. Typewrite your letters on a sheet of stencil paper. Attach the stencil paper to the Rotospeed and turn the handle. That's all. A child can do it. The Rotospeed has a semi-automatic feed self adjusting impression roll, an unlimited head-spacing device and improved receiving tray—all these exclusive advantages—yet, it's the simplest duplicator in the world.

Ruled Forms Easily Printed

Ruled forms of all sizes from 3x5 inch cards to 8½x16 inch sheets are printed on the Rotospeed just as easily as form letters and at a cost of a few cents per thousand.

Illustrations and Signatures Quickly Reproduced

Sketches can be copied or traced on the stencil paper and the signature written so that a completely typewritten, illustrated and signed letter will be printed at one operation.

Only One Model—Price $43.50 Complete

This machine does everything that a stencil duplicator can do. There are no accessories or higher priced models. The price includes full equipment and sufficient supplies for printing twenty-four jobs. The saving on this much work will pay the entire cost of the Rotospeed.

Free Trial at Our Risk

We offer to place the Rotospeed in your office on trial. We do not employ salesmen. The machine must sell itself. Write for our proposition and the Rotospeed booklet. Let us show you how others in your line of business are increasing their profits and saving expense the Rotospeed way. Just sign and mail the coupon or paste to your letterhead.

The Rotospeed Co.
429 E. 3rd St. Dayton, Ohio

Mail Now

The Rotospeed Co.
429 East 3rd St.
Dayton, Ohio.

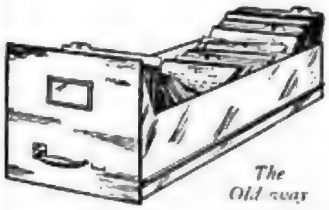
Send me at once, free, 100 samples of work and letters of the Rotospeed. Free Trial Offer.

Name

Address

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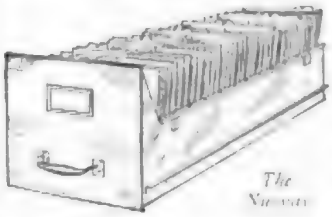
Nuway



The Old way

Old Way or *Nuway?*

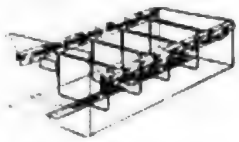
HERE'S how filing drawers generally look in the office where old filing methods prevail.



The Nuway

And here's the way they ALWAYS look with NUWAY Filing Interiors installed. Folders held in five places; partitions movable; adjustable at top and bottom. No sagging or buckling folders, no crumpled, torn letters.

Send for copy of *"Filing and Finding"*; story of a modern, efficient office appliance



Some valuable territory still available for live dealers.

Write today to

Nuway Devices, Inc. 302 Ellicott St. Buffalo N.Y.



Machine Accounting Equipment

¶ The picture shows Outfit No. 2, consisting of ADJUSTO Tray-Binder, Truck Stand and Steel Filing Case—a splendid outfit to use with any bookkeeping machine.

¶ The ADJUSTO has large tray capacity with expansion and locking features of a ledger binder. The jaws or sheet supports are adjustable to any angle for convenience in posting and reference to accounts. Holds up to 2000 sheets—any size or punching. Sheets rest on non-skid flat base. Best possible working facilities.

¶ The Truck Stand may be easily wheeled to any position on floor, or in and out of vault. Eliminates vibration from the machine.

¶ The Steel Transfer Case holds sheets up to 12x12 inches—3500 sheets capacity.

A Complete Outfit in one unit. Write Dept. B for information

LEFEBURE LEDGER COMPANY
ACCOUNTING EQUIPMENT OUTFITTERS

CEDAR RAPIDS, IOWA, U. S. A.

Stationery *of* Distinction

Reaching people you never see, your letterhead helps them visualize you—favorably or unfavorably. Specializing in stationery of the finest character, we have served for years industrial, commercial and financial institutions whose prominence shows their appreciation of the importance of details and whose continuing patronage is testimony as to how well we do their work. What we have done for them we can do for you. Will you write?

The Edwards & Franklin Co.

Steel and Copperplate Engravers and Lithographers

1835 to 1845 East 23d Street CLEVELAND, OHIO

record of any job he can find data which furnishes an infallible guide in estimating the price for a similar job.

Every day Mr. Baldwin's office girl begins her work by posting from the workmen's time sheets, or work tickets, to the tracer book or order record, charging to each job the time spent by every workman in producing that job.

These work tickets themselves are so skillfully devised as to make it possible for a man to keep a systematic record of his own time without slowing up his production. On his work ticket each workman records the detail of his day's work, giving the order number of each job and the time expended on it. The sheets are so arranged that the workman may check off not only the elapsed time expended on each job, but also the character of the operation. Thus he needs to write nothing but job numbers, saving time and avoiding the errors that result from illegibility.

When a job is completed the bookkeeper has already computed, day by day, the cost of all time spent on that job by the various workmen who helped to produce it, basing the cost figures on the employee's wages, and posted the cost of the different operations to the numbered record of that job in the tracer book. From this record the stock cost, job cost and price are posted to the tracer envelope and from this envelope to the ledger. The difference between the cost and price, of course, shows the exact margin of profit.

To show how accurately Mr. Baldwin's system enables him to keep check on stock, he tells this incident. At the close of one year his physical inventory showed that he had a certain amount of stock on hand, approximately $8,500.00 worth. From his records he found that no less than $27,844.20 worth of stock had been used during the year in filling orders, yet so accurately had he figured all stock used, even on orders requiring the breaking of packages, that there was a difference of less than $100 between his physical inventory and the balance of stock on hand as shown by his stock record.

Ouija in Big Demand

Contemporary interest in spiritualistic phenomena and the dicta of Sir Oliver Lodge, Sir A. Conan Doyle, and other upholders of spiritualism, has actually affected industry. William Fuld & Sons, of Baltimore, ouija-board manufacturers in the home of the ouija board, have lately found it necessary to enlarge their manufacturing facilities.

A larger factory, completed at a cost of $125,000, has just been built.

—*The Nation's Business.*

Keeping Books With Goods

(Continued from page 20)

can read from its pages as plain as print the current news of the goods on the shelves. Without referring to any other record but the ledger sheet of an article he can tell:

How many units of it should be on the shelf—now.

Where it is kept.

How much it cost.

How long it has been in stock.

What happened to what was there.

How much is on order.

How long it takes to get it.

How fast it actually moves into customers' hands.

How much comes back again.

How much is returned to the supplier.

Whether it is seasonal goods.

Whether it has been overstocked.

Whether sales may have been lost through short stock.

When it should be reordered.

How much should be ordered.

Whether the demand for it is increasing or declining.

Whether it pays to carry it.

What rate of capital turnover that specific line shows.

What more could be desired as aids to efficient, profitable merchandising, either by the general manager, the sales manager or the buyer?

Records of this character are invaluable at any time, but particularly in the period we are facing. With price levels tending downward and expenses apparently impossible of proportionate reduction, the elimination of merchandising wastes by the use of accurate stock records offers the one possible margin by which to keep business in economic balance.

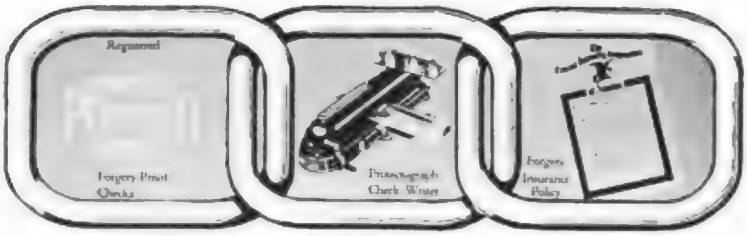
The whole case for Bookkeeping with Goods can best be summed up in the words of Mr. Hubbard: "I'd hate to have to compete against a house that kept a stock ledger, if my house did not!"

Listing the Owners of Autos

The automobile association of California is sending out an automobile directory containing a numerical list of all automobile, truck and motorcycle owners in the state.

Weekly issues will continue throughout the year to keep the information up to date. The numerical sections contain about 450,000 names. Following this come the county and town lists for every town in the state. Each of these sections consists of 1,000 pages.

Information published shows the license number, name and address of the owners, engine number, make, model and year of car.



The First Complete System for Preventing Check Frauds

All common forms of fraud affecting the signer of a check are prevented by the Todd Anti-Forgery System—changing the amount; changing the names or endorsements; or forgery by "conterfeiting" or duplicating genuine check forms.

Protectograph
Anti-Forgery System

backed by an iron-clad forgery-insurance policy, issued gratis to each user of the System, positively insuring *the user and his bank, jointly*, for an amount that amply covers the average daily bank balance.

The Protectograph Check Writer

writes and "shreds" the amount of a check in Dollars and Cents—(in words, not figures)—exact to the penny, in two vivid colors—a complete word to each stroke of the handle. (Todd Two-Color Patents.)

PROTOD Forgery-Proof Checks

drafts, and other negotiable instruments. Chemicals in the fibre prevent altering names or any written or printed portion of the document without instant detection. PROTOD is registered, accounted for and safeguarded like Government silk-thread bank notes. The well-known watermark reproduced above identifies PROTOD.

EXACTLY FIFTY ONE DOLLARS SIX CENTS

Imprint of the Protectograph Check Writer Amount Line—Amount words red, denominations black. Two colors (Todd Patents)

If you have any funds in charge—find out about the Todd Protectograph Anti-Forgery System—and insure your peace of mind. Send the coupon attached for full information, with samples of checks, also the vividly written story of how check swindlers work, by a famous "scratcher" now in State prison. Enclose your business card or letterhead with the coupon.

TODD PROTECTOGRAPH CO.
Trade-Mark Registered

(Established 1899)

World's largest makers of check protecting devices and forgery-proof checks

1179 University Avenue, Rochester, N. Y.

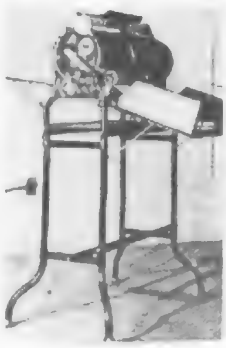
Todd Protectograph Company,
1179 University Avenue, Rochester, N. Y.
FREE, please send "Scratcher Sends a Warning" and description of the Todd Anti-Forgery System.

Name _____
(Enclose your business card or letterhead)
Bus. 10-20

ADVERTISING SECTION

Rebuilt Multigraphs at Half-Price

Latest Models **Rebuilt-Like-New** **Guaranteed Two Years**

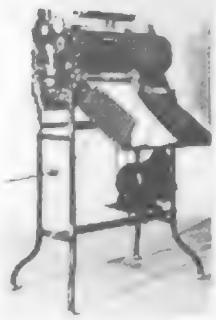


$520 Number Four (new) - $250 (rebuilt)

Includes the $500 current, No. 4 Model and $20 Stand. Complete type equipment (brand new), 2 segments, tools, supplies, ribbons.

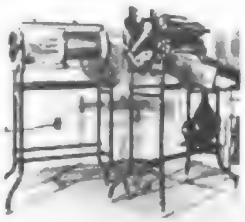
$865 Complete Unit (new) - $405 (rebuilt)

Includes the $520 No. 4 outfit, and in addition the Automatic Feed, Power Drive (right motor for your current) and Printing Attachment.



$975 Senior No. 36 (new) - $525 (rebuilt)

Includes the Multi. Senior Printer with the automatic platen release and a separate Compotype automatic typesetter—both on stands. Also the Power Drive, Automatic Feed and Printing Attachment.



Guarantee

Our Multigraphs guaranteed to produce finest quality work or money refunded. Guarantee to renew free any part that wears or breaks within 2 years (only exception natural wear on type).

REBUILT MULTIGRAPH EXCHANGE

LINCOLN BLDG., PHILADELPHIA

Loose Leaf Devices

for every requirement



STATIONERY equipment for machine bookkeeping; binders, stands, ledger leaves, statements, envelopes, etc. Seventy-one years, of experience in supplying the needs of Banks enables us to offer you suggestions of practical value, which we are always glad to do.

May we send further information and illustrations?

Blank Books — Bound and Loose Leaf — Lithographing, Printing, Engraving — Office Stationers and Suppliers

The Penn. National Bank, Phila., Pa. has been using Mann equipment with their Machine Bookkeeping System ever since its installation.

WILLIAM MANN COMPANY
PHILADELPHIA

FOUNDED IN 1848

New York Offices: 261 Broadway

Truth in Trade Terms

EVEN though the shoe trade be thoroughly conversant with the meaning of a trade term, it is unsafe to employ it unless it is equally well known to the public.

That position has been taken by the National Vigilance Committee of the Associated Advertising Clubs of the World, and by local units of this Association.

"Progressive stores in various sections, which know the value of good will, and which do all in their power to protect the good names of their establishments, readily assent to this policy," says a bulletin from the National Vigilance Committee, "as was demonstrated in Minneapolis a few days ago, when the local committee protested against the use of the term 'beach made' as applied to a shoe that was made by machinery.

"The dealer at first said that he felt justified because the shoe was marked 'Bench Made' on the sole, but on further reflection, he admitted that he knew the merchandise was machine made, and he knew, also, that the advertisement might lead many people to believe that it was a handmade shoe.

"This dealer appreciated the necessity for protecting the good will of his store as a means for holding his trade in the future," says the bulletin from the Vigilance Committee, "and therefore agreed not to repeat the statement."

Later, the advertising association announces, the complaint was carried by the local committee to the manufacturer, with the suggestion that such marking of shoes was probably a violation of the Minnesota truth-in-advertising law; such a law, by the way, as is also in force in thirty-five other states, and that in all events, the factory would not want to be party to paving the way for misleading statements on the part of its dealers, because of the unfavorable reaction which would be sure to come sooner or later. The management of the factory adopted this point of view, and in future will not so stamp its shoes.

But Not Always Working

"How long has that clerk worked for you?" asked the traveling man, as he watched the man do up some butter.

"About four hours, I should say," replied the man who keeps the store.

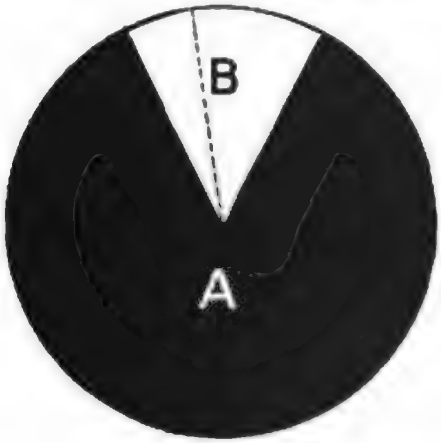
"I thought he had been with you longer than that," said the traveling salesman.

"He has," said the storekeeper; "he has been here for six months."—Onward.

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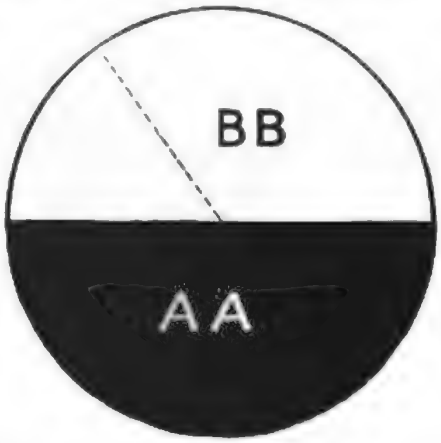
The Average Office Man

85% to 95% of income required for necessities
5% to 15% of " available for luxuries and saving



The Accountancy-Trained Man

50% to 65% of income required for necessities
35% to 50% of " available for luxuries and investment



yes, it pays to study accounting

IT is not our policy to urge a man to take up the study of accounting simply because it is the most profitable profession in the world.

There are some men who can't stand up under responsibility, who are naturally inaccurate, who have not had the necessary grammar school education or who are "wishers" rather than "willers"—these men are much better off in some other line of work.

But to the men who are educationally qualified and *really* ambitious there is a different story to tell.

Accounting *is* the most profitable profession in the world It is uncrowded—the demand for properly trained men is greater than the supply and is constantly growing. It is fascinating—it takes you right into the beating heart of business. It appeals to the ambitious, independent man because the accountant is usually responsible only to the officers of a concern.



BUILT LIKE A TREE

The I. A. S. Elective course in Advanced Accounting is built like a tree—the trunk is the training in general or "basic" accounting. It includes a brief elementary section (ten lessons) and advanced lessons in basic accounting, basic auditing, basic costs and commercial law—seventy lessons.

The branches represent the advanced work or "Post Graduate" electives, Systematizing and Cost, Income Tax, Internal Auditing, Statistics, External Auditing, C. P. A. Coaching, Credits and Credit Administration.

But you can't expect to achieve success in accounting or any other profession without *proper* training. Mr. Waldron H. Rand, C.P.A., Chairman of the Educational Committee of the American Institute of Accountants, in discussing the reason why so many students of Accounting Schools fail to pass the C.P.A. examinations, says: "One can scarcely expect a student, much less a class of students, to pass an examination which the teacher himself has not passed — *perhaps could not pass.*" You wouldn't think of studying medicine from a druggist—you should not consider any group of men qualified to train you as an accountant unless they, themselves, have earned their C.P.A. decree by examination. From the very first lesson, every bit of the work of every I. A. S. student, is examined, constructively criticized and graded by a faculty of C. P. A. instructors. He is under the personal guidance of men who have themselves achieved marked success in the profession which they are teaching.

The International Accountant Society guarantees him exactly that kind of training.

Furthermore, by a unique and exclusive method of mail instruction it enables him to secure that training in his spare time.

And finally, through an exclusive system of Post Graduate Courses, it offers him the opportunity to become an authority in any specialized field of accounting which you may select.

And you receive *individual* instruction based upon your individual need. You are free to consult any member of the I. A. S. faculty upon any problem in your daily work or any particular feature of the course.

This consultation privilege is equivalent to the service which the highest grade accounting firms render to their clients and in itself is worth many times the comparatively low tuition fees.

The course itself has been prepared especially to meet the special requirements of extension teaching. It presents the points usually considered most difficult, in a simple, clear, easily remembered and intensely practical manner.

All of the lessons are in loose-leaf form, suitable for binding for permanent reference in a binder which is furnished every student. Not only does this feature add to the convenience of the student who is able to slip a lesson into any pocket for study in any spare moment, instead of being obliged to carry a heavy, awkward book, but in addition it enables us through constant revision to keep the instruction material *always up to the minute.*

And of course, when you have secured your training in the basic principles of accounting you will want to specialize. And you will be right because in every profession it is the specialist who is most in demand and is most highly rewarded.

Our system of Post-Graduate courses in highly specialized accounting fields enables you to secure this specialized training *under the guidance of specialists and at no additional cost.*

That's the barest possible skeleton of the dominant points in our course and service. If you are ambitious and desire to get ahead you will say the word that will bring the rest of the story—*and the proof.* You will be especially interested in the surprisingly low cost and easy terms at which this training may be secured.

The International Accountants Society, Inc.

"The Professional School of Accounting"

Dept. A-94 2626 South Michigan Avenue Chicago, Illinois

International Accountants Society, Inc., Dept. A-94 2626 S. Michigan Ave., Chicago, Ill.

Gentlemen: I am interested in your advanced accounting courses. Please send me complete information on subjects checked.

- ☐ GENERAL ACCOUNTING: PREPARATORY FOR POST GRADUATE COURSE
- ☐ Systematizing and Cost Accounting
- ☐ C. P. A. Coaching
- ☐ Income and Excess Profits Tax
- ☐ Internal Auditing
- ☐ External Auditing
- ☐ Credits and Credit Administration
- ☐ Applied Business Statistics

Name..... Street Address.....

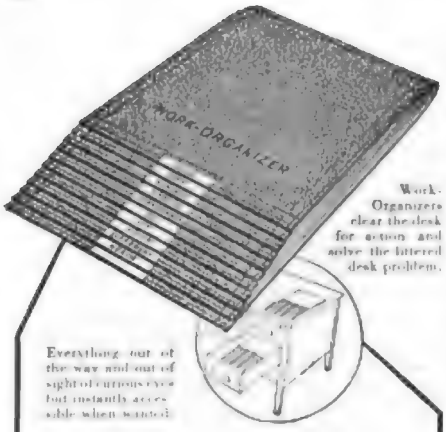
City..... State..... Age?..... Position?.....

Education?..... Any practical experience?.....

Ever studied accounting?..... ...Where and how much?.....

The term accountant should properly be applied only to a professional consultant or technical executive—never to a bookkeeper or clerk.

ADVERTISING SECTION



Work-Organizers clear the desk for action and solve the littered desk problem.

Everything out of the way and out of sight of curious eyes but instantly accessible when wanted.

"How to Organize Desk Work"

Is the name of a simple little four page bulletin which tells how any office worker can chase away that littered desk problem and clear the desk for action. Executives will learn from it how to organize all desks and increase productive time in the office. It is worth a ten dollar bill to any office worker.

Free with any Work Organizer, or by mail if you ask for it on your letterhead.

To order, just mark quantity wanted opposite each style number and attach all to letterhead

Work-Organizer Co. 721 W. Gd. Blvd. Detroit, Mich.

"300 Line" Black Seal Grain Fabrikoid cover on all exterior surface. Paper inside. Flexible, durable, handsome

No. 330—10½" x 17", 6 pkts, $2.50, 3 for $ 7.00
No. 332—10½" x 19", 10 pkts, $3.50, " 10.00
No. 334—10½" x 21", 15 pkts, $5.00, " 14.50

"200 Line" Flexible durable paper. These may be used on top of desk, but are recommended for drawer use

No. 730—10½" x 17", 6 pkts, $1.00, 3 for $ 2.75
No. 732—10½" x 19", 10 pkts, $1.25, " 3.50
No. 734—10½" x 21", 15 pkts, $1.50, " 4.00

HOURS SAVED

Send for cost tickets and complete data



mean dollars saved. Check up your workers' time and the receipt of all orders, letters, etc., with

The Automatic TIME STAMP

It will save you many a dollar by eliminating lost time, increasing production, and keeping you in closer touch with each step of the work.

Handsome, sturdy, absolutely accurate. Used many years. *You need one.* Send for folder.

The Automatic Time Stamp Co.
264 Congress St., Boston, Mass.
"Originators of the art of printing time automatically."

RYCO SEALING TAPE

PRINTED with your name and trade mark renders certified protection to corrugated shipping cases in transit.

Used by scores of leading corporations

Inquire for information

J. F. RYAN & COMPANY
375 Lexington Ave New York

Duplicate and Triplicate

Sales and Order Books

Carbon Sheet or Carbonized

Get our quotations on all forms of 50,000 or over.

CHICAGO SALES BOOK CO.
510 N. Wells St. Chicago

Returned Goods—Why?

THE success or failure of a business that depends directly or indirectly on the state of the public mind—and what business does not?—hinges to a great extent upon the grasp or lack of grasp by responsible executives of what the people at large are thinking.

A well-known merchant reluctantly admitted to the writer that it has been years since he has mingled with the people in front of his show windows or joined an evening crowd and listened to a soap-box orator. He is driven down to his establishment, steps out of his car, hastens to his office, takes up internal business problems, then hurries to a conference, a directors' meeting, a commercial club luncheon, gets back to his office, is called out of town, comes back to find himself slated for some social affair in his wife's "set," and so the weeks and months and years go on. Present to him some matter requiring a decision based upon the state of the public mind and he is lost.

This condition is not so detrimental in itself, provided the executive demands of his juniors the knowledge he feels he cannot take the time to acquire. But, engrossed as he is, he may forget about the people and make no point of having his subordinates study and master the psychology of the people.

In this connection we come to the importance of analysis with reference to returned goods.

Each morning there passes over the writer's desk the previous day's returned goods report.

Talks with numerous executives lead to the conviction that few of them get at the real "innards" of the returned goods report.

The usual executive conclusions are that the goods were returned because--

The manufacturer produces poor merchandise--

The buyer for the retail house is a failure—

The customer was "oversold"—

The customer got cold extremities

The customer saw something cheaper—

The customer saw something more desirable.

Before these days of the sealed ticket—which, if broken, precludes the return of the merchandise—many goods were taken home, worn to some function and returned. This evil is largely a thing of the past, in many retail lines, at least, hence can be ignored.

But—

None of the foregoing conclusions may be correct, and the vital fact—the one that gives a key to economic conditions—seldom is obtained.

Why?



Capacity — 200 to 1100 Accounts



Speeding Up Machine Posting

With a FAULTLESS Turning Post Binder

The only binder that holds the sheets securely, when unlocked, and still allows the instant removal and insertion of one or more sheets by a simple turn of the oval shaped posts. The special milling of the "Non-Slip" Posts prevents slipping or sagging of sheets.

Detachable ratchet stands. Adjustable to any angle. Locks at any point of expansion. Rubber feet and hubs counteract all jars and vibration.

Alinement of sheets is assured, because the turning of the posts to a locked position automatically draws up the sheets.

Write for Circular T. P. U.

STATIONERS LOOSE LEAF CO.
NEW YORK MILWAUKEE CHICAGO

Business Systems Company, Ltd., Toronto, Ont., Manufacturers and Distributors for Dominion of Canada

$200,000 In New Orders

That is what one Cincinnati client secured through my advice on how best to use business letters to develop his business at low cost.

Tell me what you sell and let me show you, without obligation, an economical way to build up sales in quick time.

EDWARD H. SCHULZE

Acknowledged the foremost authority on business producing letters. Over 3500 satisfied clients since 1912.

220 West 42nd St. New York

POSTAGE

The 25c monthly magazine that tells how to transact business by mail—Advertising, Selling, Collecting, Catalogs, Booklets, Circulars, Letters, Office Systems, Money Saving Ideas. Since 1916 the official magazine of The Direct Mail Advertising Association. 6 months $1.00; 1 year $2.00.

POSTAGE · 15 East 18th St., New York City

Because there is no real analysis of credits and refunds.

If you knew that many of your customers were expecting a strike in the plants of their town's leading industry, you would make prompt plans to meet the contingency, would you not?

If you knew that many of your customers, or your dealers' customers, were expecting to be cut down to half-time, you would plan accordingly, would you not?

If you knew that general unrest—the fear of spending, the fear of another war, the fear of railroad, telegraph and mail problems, of canceled ship-building contracts—if you knew these things were working upon the minds of the people, you would have valuable information on which to base your plans, would you not?

An analysis of the returned goods report offers a distinct opportunity to gain exactly such information.

For example, let us use a retail case: A woman buys a $35.00 hat. The next day she is back for a refund. She tells the adjustment clerk that the hat did not please her sister, and her husband didn't like it very well, so she cannot be happy with it and wants her money.

Would you believe her?

In nine cases out of ten, her excuse would be taken at one hundred cents on the dollar.

The exceptional adjustment clerk (and the employee in this position should be exceptional) will issue the refund.

And then—

The customer returning the hat will tactfully be led into conversation.

Do you think she wants to give up that hat?

Man alive! it is the desire of her life to own it and to wear it.

Having her money back, she is in a mood to confide in the diplomatic, sympathetic clerk.

What are the real facts?

Why, she never before had paid so much as $35.00 for a hat.

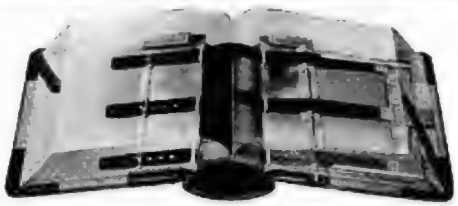
She took her purchase home, confident that, though the price was high, her husband would be so pleased with the effect that he would approve her judgment.

What happened?

Well, John admitted the hat was becoming, but didn't Mary know that a strike was likely at the shipyards, and maybe next week, at that? John didn't want to strike, but would have to go out with his union if the call came. Besides that, while the strike might pass by, there might be a cut of wages or of working time, because the Shipping Board was talking of canceling many building contracts.

The clerk reports accordingly. If numbers of almost identical reports

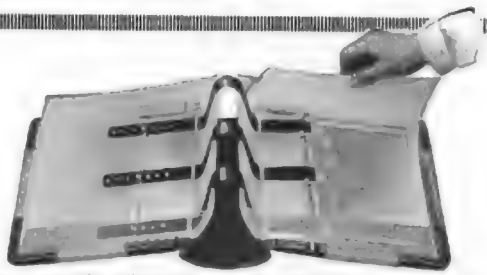
Locked



Transparent Leaf Body, showing Proudfit mechanism locked and ready for use.

A flat writing surface—no gutter—no waste space. Proudfit Loose Leaf Binders, when locked, have the appearance and all the advantages of bound books. They hold the sheets along the entire binding edge, and having no rings or posts, prevent tearing.

Unlocked



Transparent Leaf Body, showing Proudfit leaf body unlocked.

Quickest and easiest leaf insertion—capacity, 1 to 1,000 sheets, without adjustment. Less than one-half inch of the binding edge of each sheet is utilized by Proudfit Loose Leaf Binder.

Conserve Paper
Increase Writing Space

Proudfit Loose Leaf Devices

More remarkable, perhaps, than the Proudfit features of time, weight and paper conservation are the Proudfit features which make for permanence and attractive appearance. When Proudfit binders are locked the entire leaf body is held as firmly as in a bound book, and to all appearance locked Proudfit binders *are* bound books. The entire mechanism, consisting of flexible bands of steel, firmly fastened to the book covers, is absolutely concealed.



"Tight Back" Style closed, showing "A B" Back.

Yet, with a single operation all the leaves may be removed in a moment's time. Moreover, having no rings or posts to distort the book covers, or scratch desk tops, Proudfit binders protect office furniture as well as the records which they contain.

Proudfits are used for salesmen's portfolios, price lists, catalogs, photographs, blue prints, ledgers, accounting books, city, county or state records—in fact, all printed or written matter which must be kept constantly up-to-date.



Proudfit Catalogue Binder and Salesman's Portfolio combined.

Proudfit Loose Leaf Binders are sold direct or through factory branches in all large cities—they are supplied in a wide variety of sizes in four standard lines, as well as made to specifications.

Proudfit Loose Leaf Co.

Grand Rapids, Michigan



How do you read a newspaper?

Off at one side? Ridiculous isn't it? Everyone naturally adjusts matter to be read to their vision—

Then why let your stenographers read notes from the side?

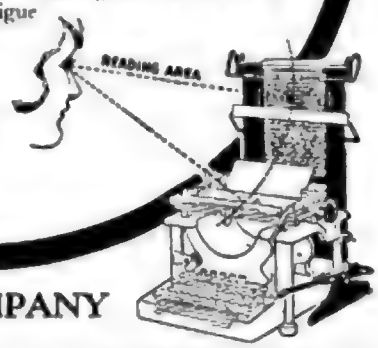
It strains their eyes and they lag. It twists their backs and they watch the clock. It dulls their energy by sapping as high as 60% instead of the usual 8% required for natural reading.

These percentages obtained from good authority

Fatigue means under speed and costly errors. Can you afford either? To rid your office of this wear and waste is worth many times the cost of Line-a-Time. Your girls will be for it, because Line-a-Time reduces fatigue and fatigue kills attractiveness.

Ask Line-a-Time

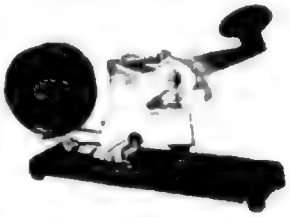
what the correct method of natural reading and accurate transcribing is.



LINE-A-TIME MFG. COMPANY
ROCHESTER, NEW YORK

Eveready Paper Fasteners

"One on Every Desk"



Model "D" Eveready Paper Fastener

are rapidly replacing pins, clips, and old-style stapling machines. Representative Business Houses and Industrial Establishments in all parts of the world, after careful tests, have added an "Eveready" to the equipment of every desk where a stapling machine is required.

EVEREADY MFG. CO. OF BOSTON
Cable Address, Eveready Boston — BOSTON, MASS.

Headquarters for Continental Europe
Avenue de Villas, 46, Brussels, Belgium, Cable Address, Castelli, Brussels

Headquarters for the United Kingdom
Mabie Todd & Co., Ltd., 133-135 Oxford St., London, W. 1., England

"NO OFFICE COMPLETE WITHOUT AN EVEREADY"

The MAILBAG



The DIRECT-MAIL "HOW"

is answered in this monthly journal of direct mail advertising. Articles from those who have had practical experience with letters, booklets, circulars, enclosures, house-organs, etc. How to Write Letter-Heading Writ; How to Collect Money by Mail; How to Conduct a Real Follow-Up; How to Use Mail Salesmen—these and similar subjects covered. If you want to keep abreast of the latest in direct mail work—if you want the biggest dollar's worth you ever bought, send your subscription NOW.

$1.00 a year

MAILBAG PUBLISHING CO.
1900 E. 40th St., Cleveland, Ohio

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYTT LABORATORIES — Dept. "T"
565 W. Washington Street, CHICAGO, ILL.

More Than 150,000 Business Executives will receive this and future issues of BUSINESS magazine. This circulation is hand picked to include the richest cross-section of the entire commercial market

Address BUSINESS, Detroit, Mich., for information regarding advertising.

AT LAST!
BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads
1000 Billheads and
1000 Statements
ONLY $12.85 for Lot

1000 Letrhds & 2000 Billhds $12.85
1000 Ltrhd & 2000 Billhds $12.85
5000 large Letterheads $22.75
2000 Letrhds & 4000 Billhds $22.75

Lithographed on good Bond Paper. *Write for Samples.*

Customers from Maine to California.

KAY-DEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

ADVERTISING SECTION

come in, isn't the information vital? You are placed in possession of knowledge showing how some of your customers are thinking, and what industrial difficulties may be in prospect.

Hasn't this advance news direct bearing upon your buying, upon credits, upon prospective trade? Doesn't it enable you to adjust yourself accordingly or to double the watch on deck?

Confine it to one community and it is important. Obtain such material from numerous communities, or from the country at large and you have a valuable asset, have you not?

Your business will be governed by the state of the public mind. If the public is confident and optimistic you can crowd on steam. Conversely, you must be cautious.

Know your public.

Get the facts.

Analyze your returned goods report.

—FRED H. MANTOR
Sales and Advertising Manager, Hale Brothers, Inc., San Francisco.

An Effective Display

WHEN the Rike-Kumler department store of Dayton, Ohio, decided that the store was not getting its share of the men's clothing business in Dayton it began a campaign to get it.

One phase of the campaign consisted of a series of window displays dressed for the prospective buyers among the male population of Dayton. The first window of the series was entitled "His Room." "His Room" was in every way typical of a young man's abode and bore the stamp of an utter masculine atmosphere. Mary Roberts Rhinehart's book, "Isn't That Just Like a Man" was prominently displayed.

Eleven different departments contributed material. Shirts and a bath robe hung from the corner of a four-poster bed. Collars were thrown carelessly about. Every drawer on the chiffarobe was open and from each one hung various articles of apparel worn by the modern man. Cigarette ashes and burnt matches littered the rug; on the unmade bed the tired occupant of the room had evidently disgorged his pockets of a bill fold, loose pocket money, watch and chain, keys and one or two pieces of opened mail; it was exactly like hundreds of other rooms in which a mere man had slept and dressed.

During the four or five days that the window was in, crowds studied its details and commented upon its outstanding features. L. F. Dittmar, display manager for the store, who planned and arranged the window, says that its effectiveness was due to its naturalness.

Improved Business Methods and Equipment



Tickets of admission will be sent without charge or obligation of any kind upon receipt of executives' names and addressed, stamped envelope.

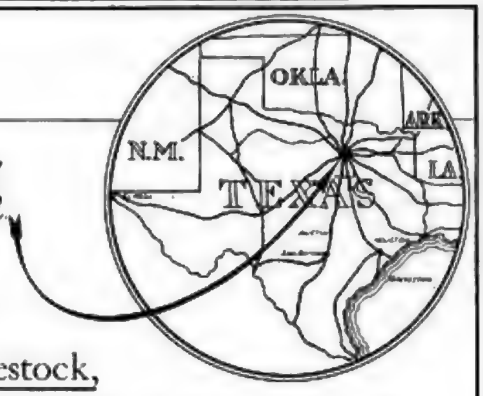
will be shown and explained by thoroughly trained specialists of leading American manufacturers at the 17th Annual NATIONAL BUSINESS SHOW at Grand Central Palace, New York, the week of October 25th, 1920.

More manufacturers will be represented and more new things will be exhibited at this Business Show than at any similar Exposition ever held.

Business executives and office workers will find it decidedly worth while to spend a few hours at this Show investigating the best available time and labor saving methods and devices.

The exhibiting manufacturers are coöperating to render exceptionally valuable service to American business concerns. Visitors to the Show will not be importuned to buy.

Annual Business Show Co.
50 Church Street New York



Fort Worth

Railroad, Livestock,
Grain and Oil center of the Southwest.

We know this territory—its resources and opportunities.

Our service covers the Southwest thoroughly.

Correspondence invited

Resources, - - $20,000,000.00

Established 1873

The FORT WORTH NATIONAL BANK
FORT WORTH, TEXAS.



QUALITY Halco RE-INKER

This is Halco No. 10, our latest model machine for replacing ink in used typewriter ribbons. It occupies a space of but 6 x 7 inches and will re-ink ribbons used on Underwood, Remington, L. C. Smith, Elliott Fisher, Oliver, and Victor Typewriters at a cost of one cent for ink. It will save money for any concern using six or more typewriters.

Tell us what make typewriters you use and what color ribbon and we will send you one of these money-saving machines subject to thirty days trial.

Price $10.00 including can of ink for 100 ribbons

SHALLCROSS COMPANY
1450 Grays Ferry Road PHILADELPHIA, PA.

We also manufacture machines for re-inking multigraph ribbons

KEEP RIVALRY KEEN

among your workers by visualizing their records on this Moveable-bar Chart.



EDEXCO MECHANICAL GRAPHS are new and simple types of Graphic Control Boards and make it easy for the executive to picture quotas and results in large or small businesses.

Send Now for FREE Booklet
illustrating in color various types of Edexco Mechanical Graphs

EDEXCO GLASS HEAD MAP PINS
Solid colors will not peel or scratch. 2 sizes

Send $1.00 for Big Trial Outfit
containing 100 map pins and other marking devices, sales maps, charting papers, curve cards, EDEXCO map mount, 2 catalogs—GRAPHIC Supplies and Mechanical Graphs—Service Sheet No. 4 and special instruction Sheet on Starting and Keeping Graphic Records. Catalog alone sent free. Please say which.

EDUCATIONAL EXHIBITION COMPANY
420 Custom House Street PROVIDENCE, R. I.

Customers at Two Cents Each

(Continued from page 13)

to the city and student trade. The farmer is more than welcome. In fact he is sought. His name appears on the Ober card index and everything that might interest him—reduction sales, a special line of clothes, or new clothes for the school kids—is mentioned in a letter to the farmer.

The names of these men are obtained from the tax assessor. The voting records also furnish a wealth of information. The county records show that Mr. Kennedy owns a large farm, a Buick, fifty head of cattle and eight horses. After Mr. Kennedy visits the Ober store a notation is made on his card to show that Mr. Kennedy would be interested in a $14.98 reduction sale suit or the new togs at $45. In this respect he is treated like his city cousins—for Ober's keeps the mailing lists as complete as possible.

Ober's asks the farmer to "make this store your headquarters when in town," just as the student is asked to make the store his headquarters.

The lists of business men and farmers in the addressing machine are corrected only once or twice a year. But with the student body constantly changing it has been found advisable to address the letters by hand, making the necessary corrections before any series of letters is sent out. Such highly specialized lists as the college fraternity members or members of lodges are, of course, addressed by hand, and the letters are of a more personal nature than the general letter sent to the entire student body. All letters sent out from Ober's carry two-cent postage.

A K. U. football game, a county fair or a daily paper will give strong evidence of Ober's advertising. But the men of Douglas county find a stronger appeal in the Ober letters that they find regularly in their mail boxes. And Mr. Ober will tell you that the extensive use of the hand-picked mailing lists for eight years has made the Ober store what it is today.

No Free Alterations

Merchants of Sheboygan, Wisconsin, have a schedule of charges for alterations on cloaks, dresses, suits, waists, and other ready-to-wear garments.

An agreement to charge for this work was signed by the merchants handling this line of goods, and little opposition from customers was encountered. One of the most gratifying results of the plan, in fact, has been to cause many customers to take the garments home and do the altering themselves. One department store formerly kept twenty-four girls busy on alteration work. The number has been reduced to twelve.



EFFICIENCY-ACCURACY-QUIET

Do Your Files "Jumble Up?"

The AUTO-DESK COMPANION has a throw-back device attached to inside of front that prevents papers from coming in contact with cover in closing.

Convenient, speedy, spacious. Ample room for all department matters, quotations, card records, unfinished business, credit matters and miscellaneous files. A compartment for everything. Instant access without effort.

AUTO-DESK TRAYS speed up distribution. Take up little space, easily accessible. Save time and money.

Write for general catalog No. 21B.

Automatic File and Index Co.

Exclusive Manufacturers

South State St., GREEN BAY, WIS.

AUTOMATIC

Wood and steel filing devices include

Sectional and Upright Cabinets
Utility Desks
Desk Files
Filing Desks
Card Cabinets
Sectional Book Cases
System Supplies



VENUS PENCILS

The largest selling quality pencil in the world

THEIR quality and uniformity make VENUS Pencils the choice of professional and business men everywhere. The satiny and non-crumbling lead makes its mark with ease.

17 Black Degrees and 3 Copying

For bold heavy lines,
6B-5B-4B-3B

For general writing and sketching,
2B-B-HB-F-H

For clean fine lines,
2H-3H-4H-5H-6H

For delicate thin lines,
7H-8H-9H

Plain Ends,
$1.00 per doz.

Rubber Ends,
$1.20 per doz.



At stationers and stores throughout the world.

American Lead Pencil Co.
220 Fifth Ave. Dept. BA. N. Y.

"Specialty Shop Row"

A *STRANGER* in Seattle, walking up Union street, could scarcely fail to observe, four or five blocks from the retail center, an entire block of retail stores catering to women. On the corner is Oliver's Baby Shop, handling infants' and children's wear. On the first floor of that building are nine other stores—two millinery stores, three ladies' tailors, and one store each specializing in Oriental rugs and laces, hairdressing service and supplies, kodak supplies and drugs. Ten little shopkeepers, all in a row.

These people are cashing in on the factor of convenience. The grouping of single-line stores is always advantageous to the public and each of these ten shops draws trade from the presence of the others. The woman who could scarcely go so far out of her way to trade at one shop will go to that block because she can trade at several shops without taking more than a few extra steps.

If our stranger might otherwise fail to recognize that these people are applying a principle of successful retailing, the fact would be called to his attention by a unique advertising device. On the door of each one of these ten little shops is a gold shield containing the words, "Specialty Shop Row." Thus the stranger's attention would be drawn not only to the stores themselves, but to the fact that they handle closely related lines of goods. Oddly enough, the stores were all there before it occurred to anybody to capitalize this relationship. The idea of calling the row "Specialty Shop Row" and of using that phrase for advertising purposes originated with Henry Broderick, head of the realty firm handling the rentals of the block.

For a long time the ten little shops advertised together in the newspapers, but some of the stores became more successful than others; the human element crept in, and now the only common bond is the gold shield on the front doors.

"We Strive to Please"

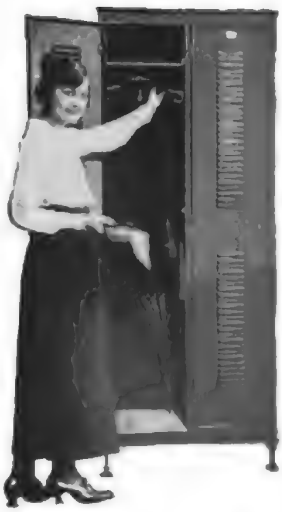
In these days of great variety of merchandise and the multitude of divergent products gathered under one roof, the buyer must specify.

"I want to look at some ranges," said a shopper recently.

"Certainly, madam," replied the polite floorwalker; "rifle, kitchen, or mountain?"—Printers' Ink.

The Average Man's Car

A recent survey of motor cars used throughout the United States shows the average to be a five-passenger car with a 105-inch wheel base. The average cost was found to be $994.98.



"This Locker Is All My Own"

Consider the sense of pride that each employee feels in having a clean, sanitary individual Steel Locker in which to keep belongings during working hours. It prevents petty thefts—reduces fire hazards—encourages habits of neatness and order—and instills the finest spirit of loyalty and co-operation.

MEDART STEEL LOCKERS

are the result of years of specializing in this particular line. Made of smooth sheet steel with welded joints and richly enameled. Adjustable legs. Multiple locking device operates with one turn of the key. Fire and theft proof. Standardized units—easily installed by anyone.

Send for Booklet

It illustrates and describes all styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools, etc. Inform yourself. Get the facts. Clip and mail the coupon below.

Fred Medart Mfg. Co.
Potomac and DeKalb Sts. St. Louis, Mo.

Fred Medart Mfg. Co.
Potomac and DeKalb Sts. St. Louis, Mo.

Please send your free booklet describing MEDART Steel Lockers. We employ about people.

Firm Name.....

Address.....

Attention Mr.....

We are interested in Steel Shelving, Racks, Bins..... (Please check)

The Correct Answer

—*In Half the Time*

Hundreds of Progressive Firms Saving Thousands of Dollars with Meilicke Method of Calculation

The Meilicke Unit Calculator is used to compute pay rolls, cost estimates, invoice extensions, discounts and commissions. And in every use it saves in costs, time and labor from 40 to 60 per cent, averaging 50 per cent.

The American Railway Express Co. uses twelve thousand Meilicke Devices. The Western Electric Co. are doing with four clerks and Meilicke Calculators the work formerly done by five clerks.



The Latest Meilicke Idea—

The Meilicke Unit Calculator

For

Piece Work Calculation
by Units, Hundreds or Dozens

Pay Roll Calculation
Tenth or Twelfth Hour Periods. Also for Unit System of Accounting, Checking Invoice Extensions, Estimating Costs, Computing Discounts and Commissions.

Reduce Your Overhead
With This Finger-tip Method of Calculation

The time has come when operating costs must be cut. The problem of office routine expense must be solved.

It *can* be solved and farsighted concerns are taking steps to solve it—by stopping the waste in mental labor and by using every means to save time in doing the necessary work.

10-DAY Free Trial

Try this device on your own work at our risk! Prove its money and time saving ability yourself. Mail the coupon today for further information as to styles, prices, etc., and our ten-day trial plan.

Meilicke Calculator Company, J-354 North Clark St., Chicago

The Unit Basis Calculator provides answers in tenths, and hundredths. Its range of answers extends to 9999.

The Dozen Basis Calculator gives answers in twelfths up to 10 dozen. In even dozens it extends to 100 dozen. The Meilicke decimal system makes it possible to go as high as 9999 dozen.

EXAMPLES of the Quick, Easy Operation of the Meilicke Unit Calculator

Suppose you wanted the cost of 287 articles at 17 cents per unit. Tip card tabbed 17 (see cut) open at that cards. Locate column headed 280. Opposite 7 in that column is answer $48.79.

Or, the pay for 25.5 hours at 17 cents per hour. In column 250, and opposite index figure 5, is answer $4.462 or $4.47.

The Dozen Basis Calculator provides answers in Twelfths of Five Minute Periods just as quickly.

In the same way problems in multiplication and division can be almost instantly answered.

Meilicke Calculator Company
J-354 North Clark St., Chicago

Gentlemen: Without obligation on my part, you may send me your booklet and full particulars of your Meilicke Unit Calculator and your ten-day trial offer.

HOURLY BASIS on Quarter, Tenth or Twelfth Hour Periods.
Rates from ____ to ____ per hour.

WEEKLY BASIS on the 44 or 48 hour week.
Rates from ____ to ____ per week.

PIECE BASIS with ____ as the Unit.
Rates from ____ to ____ per ____

Firm Name ____

Address ____

My Name ____ Title ____

Cashing in on the News

"THE window trimmer must strike a new note as often as possible. He should therefore keep in touch with the news, for the window that is timely as well as artistic is the window that will pull. When the public is stirred up about something, when it is discussing some event, refer to this event in your display. It'll pay big dividends."

This was the advice which W. A. Bilby, an expert on the decoration of windows, recently gave the Kansas Association of Display Men, and the same idea is being followed with considerable success by retailers in different lines throughout the country. Brentano's, in New York, for example, trimmed a window which created more talk than anything seen along Fifth Avenue for many days simply by connecting books on various subjects with corresponding items in the leading daily newspapers—and letting the public do the rest

A large card in the center of the window read "Every Newspaper article Has Its Book," and the idea was visualized by clippings attached to the various volumes. The New York newspaper headline, "Rescue Eight In A Fire Near Fifth Avenue," was tied up with "Fire Preventions and Hazards," by William F. Tolman; a clipping about "Historic Watches Put on Exhibition," taken from a St. Louis newspaper, was attached to "The Old Clock Book," by N. Hudson Moore, while an item stating that "The B. & O. Rearranges Lines" was shown in conjunction with McPherson's book "The Working of Railroads"—and so on all down the line.

John T. Witsil, advertising manager of Brentano's and the man responsible for the display, stated that he had bought thirty different newspapers from as many different cities in the United States and clipped a page-one story from each.

"Without the least trouble," said Mr. Witsil, "I was able to locate a book on the subject of every one of those articles. The window was planned with but one idea in mind— to show people that no matter what may occur tomorrow, or six months from now, they can buy some book that deals with it. It wasn't possible to check up the actual sales-results from this window, but we do know that it brought in a considerable amount of extra business. One customer ordered an even dozen of the thirty books on exhibition, and that's a pretty good record of itself.

"One beauty of the idea is that it is susceptible to so many interesting variations."



How About a Budget System For Your Household Expenditures?

The National Family Expense Book has rulings and special forms for keeping complete records of daily expense, which can be totaled at the end of the month. This enables the housekeeper to make exact records of all expenditures and receipts and know at any moment the balance of cash on hand and the amounts expended for the various items.

The Loose Leaf Memo is the ideal way to preserve notes, addresses, data, cash account, business and personal matters—all in the same cover, properly indexed, so that any subject may be found without loss of time. These items which are prominent in the National Line may be obtained at your stationer's. Ask for National Blank Books and Loose Leaf Devices.

Send for free copy of "GOOD FORMS FOR BOOKKEEPERS," showing hundreds of ready ruled and printed forms for accounting.

NATIONAL BLANK BOOK COMPANY

25 Riverside HOLYOKE, MASS.

Use Maps

You Can Wash

Just Like a Slate



The Multi-Unit Map System is the loose leaf system applied to maps. Convenient as a book. Puts all your maps within easy reach, ready when you need them, yet completely out of the way when not in use.



The special celluloid surface of National Maps makes it possible to erase, quickly and completely, any markings or notations made on the maps. Use either a sponge or a damp cloth. The surface is left perfectly smooth and clean and is not damaged in the least. The celluloid surface is an exclusive feature of National Maps.

On these washable National Maps you can mark with either pen, pencil, crayon or water color paints. Outline your dealer territories and salesmen's routes. Show sales quota, statistics, comparative standings, etc. Put down any and all information that will help you in your territory. When changes in the data are necessary, a sponge or damp cloth and you have a perfectly clean map as good as new, ready for further marking.

Write for further information about the Multi-Unit System and National Maps for your territory.

NATIONAL MAP COMPANY

"Map Makers for 35 Years"

INDIANAPOLIS NEW YORK CITY

Address Department B-10, Murphy Bldg., Indianapolis, Ind.



This Self Indexing Ledger Provides INSTANTANEOUS Reference

The Cesco Self Indexing Ledger illustrated above provides a simple, practical method whereby your Ledger can be *immediately* opened at any account, without turning a *single* additional page. It affords *instantaneous* reference—no thumbing or fingering of pages. It is the greatest indexing improvement since the introduction of Loose Leaf Ledgers.

Send for Free Booklet

and sample sheets describing and illustrating this new system. Can be adapted to any binder and any ruling, or any record where quick reference is essential.

Machine Bookkeeping Equipment

If you are using or expect to use a bookkeeping machine be sure to send for booklet of Cesco supplies. Our equipment, both binders and forms, has been devised to produce the best results.

THE C. E. SHEPPARD CO.

LOOSE LEAF SYSTEMS **313 Hudson St., NEW YORK CITY**

Co-operation—Plus Paulhamus

(Continued from page 15)

to be permanent. While the same board of directors supervises the business both of the marketing association and of the canning company, the latter corporation has stockholders who are not growers. The explanation for this significant departure was given to me in these words:

"The management of the association thought it advisable to place every safeguard around the permanency of the industry since, should anything happen to impair the health of Mr. Paulhamus, the present manager, difficulties might accrue for a new manager to finance it as it continues to grow. The new company was formed to take care of the canning and stores, divorcing the heavy business for shipping only. The canning company now has paid-in capital of $1,000,000 and will do a business of about $6,000,000 in 1920."

The safeguard, then, in the event the grip-hold of Manager Paulhamus should be loosened, is new outside capital. Yet at the same time the co-operative element is preserved intact, as is shown by the fact that at the melon-cutting last April the association growers at once subscribed $175,000 to the stock of the canning company.

A recent visit to the Puyallup cannery convinced me that the watchwords of the plant are cleanliness and purity of product. It would be paradise for the small boy—the sweet odor of blackberry jam in the making recalled the days of rifled pantry shelves.

In a cool, white room sat white-capped and white-coated women and girls, many of them the wives and daughters of valley farmers, sorting and cleaning the fresh fruit. Further on were the big kettles and the modern machinery for filling jars, cans and glasses. Throughout the plant there was a homelike atmosphere that seemed to come straight from the farm and that tempted one to sit at one of the long tables and join in the handling of fruit.

A visit to the offices upstairs was further evidence that this business, founded on the co-operative idea, was conducted just like any other well-ordered business, with centralized authority and a "he" boss.

The door to "Paul's" office was wide open. I found him behind a modest flat-top desk and a pair of spectacles, scanning a pile of papers and telegrams. From the first I liked him, with his stocky, vigorous bulldog frame, his bullet head and his blunt, but kindly, manner.

During our conversation we were interrupted at least a half a dozen

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New 1920 Model



DIAGRAPH YOUR SHIPMENTS

Simplicity, Speed, Endurance

Simplicity in construction because of correct design. Speed that meets the requirements of the world's largest shippers. Durability to last a *Business Lifetime*. These, plus new and improved features not to be found in any other machine, have made the DIAGRAPH famous with shippers everywhere for the past nineteen years.

There is a DIAGRAPH for every need; with the DIAGRAPH you can perform a broader range of useful work than with any other type.

Try It Before You Buy I

Prove to your own satisfaction, without expense, that the DIAGRAPH will avoid drudgery, error and delays in shipping—simply ask us to send a DIAGRAPH today, prepaid. Give it a thorough trial. If you like it, then buy it; otherwise return it at our expense.

Shipping Room Supplies

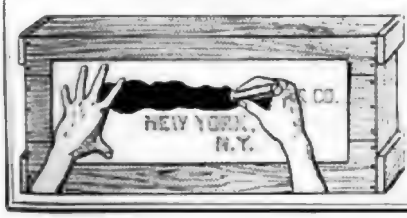
Stencil board; inks, brushes and other shipping room supplies can be bought at marked savings direct from our St. Louis office or from branch office nearest you.

DIAGRAPH STENCIL MACHINE CORP.

901 Clinton Street ST. LOUIS, MO.

Branch office in all principal shipping centers—see phone books

NEW YORK—90 Warren
BOSTON—19 Pearl
PHILADELPHIA—204 S. 9th
SAN FRANCISCO—516 Wells-Fargo Bldg.
INDIANAPOLIS—313 Virginia
CHICAGO—808 W. Congress
ATLANTA—10-14 Tift St



times by sub-managers and office girls, all of whom came to him for advice or decisions. He made the decisions quietly and quickly. It was the "plus" in action.

"What," I asked Paulhamus frankly, "is the real secret of the success of the Puyallup Valley Association, when so many other co-operative enterprises have failed?"

"I am," he answered unhesitatingly, with characteristic bluntness.

There was no note of self-praise in the reply. It was simply a statement of fact.

"Paul" was "it." He knew it, and he wasn't making any bones about saying so.

"The main trouble with so many co-operative enterprises has been that so many bosses have tried to run the job. They have spoiled it," he said. "A business like this, involving so many individuals, each with a different idea of how it should be run, needs one capable business man to run it. Otherwise it will find itself lost in a maze."

At the same time he expressed keen interest and pride in the success of each individual grower.

The thing in which he showed the greatest pride was the fact that this season the cannery paid to one grower for one week's delivery of loganberries more than $19,000.

That was just one of the results of co-operation—plus.

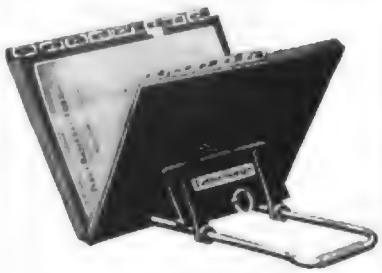
War on Discount Violators

THE National Association of Credit Men has renewed the war on the practice of taking unearned discounts and has appealed to its 29,000 members to enforce upon buyers a strict observance of credit terms.

Failure to enforce these terms, a bulletin from the association announces, has fostered an aggressively independent attitude on the part of many buyers and encouraged them to demand of the manufacturer special allowances which are not only unfair to him, but unfair to those merchants who do live up to their discount terms.

In the last analysis the loss to the manufacturer must be made up through his aggregate receipts, and when he fixes the prices the innocent as well as the guilty have to bear the burden.

"We say fearlessly to the seller and to the buyer," the association announces, "that they are helping to maintain high prices, are imposing unnecessary burdens on business, are encouraging laxity and a lower level of character of business whenever a cash premium is demanded and allowed after the expiration of the time in which it properly should have been taken."



THE INSTANT REFERENCE FILE

Eliminates the possibilities of misplacing important letters or memo sheets. All current papers are classified so that they may be instantly located. Indexed to fit your needs by letters, numbers or words. Unsurpassed for Letters, Invoices, Requisitions, Back Orders, Follow-ups, Bills of Lading, Stock Sheets or any other matter that is likely to be needed at a moment's notice. Made in all sizes and indexed as desired.

We also furnish a complete line of time and space saving DESK FILES and CARD SYSTEMS.

Write for detailed information to

THE KOHLHAAS COMPANY

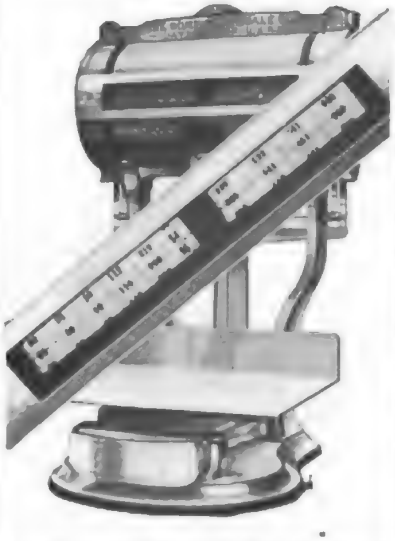
Manufacturers

183 N. Dearborn Street CHICAGO, ILL.

DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.

326 WEST MADISON ST., CHICAGO

Sales Distribution

ADDING



ADDING - BOOKKEEPING - CALCULATING

A - B - C

B



The ideal system for indexing credit files—

The Retail Credit Men's Association at Denver, Colorado, maintain for the benefit of its members a large card list with credit information on over 200,000 people. This record is filed in L. B. card record desks —every card within arm's reach.

The cards are guided by the L. B. Automatic index. This method of filing makes reference to any particular card almost instantaneous.

The L. B. Automatic index has also been adopted by credit associations in Cleveland, Dayton, Louisville, Kansas City, New Orleans, Toledo, Denver, Los Angeles, Terre Haute, Cheyenne (Wyoming), Richmond and Detroit.

The advantages of the L. B. Automatic index are not limited to credit associations. Every business which has a credit department will appreciate the speed and accuracy of this index in filing and finding names.

Write for booklet "A new method for indexing cards"

Library Bureau

Card and filing systems

Filing cabinets wood and steel

Founded 1876

Boston 43 Federal street

New York 316 Broadway

Philadelphia 910 Chestnut street

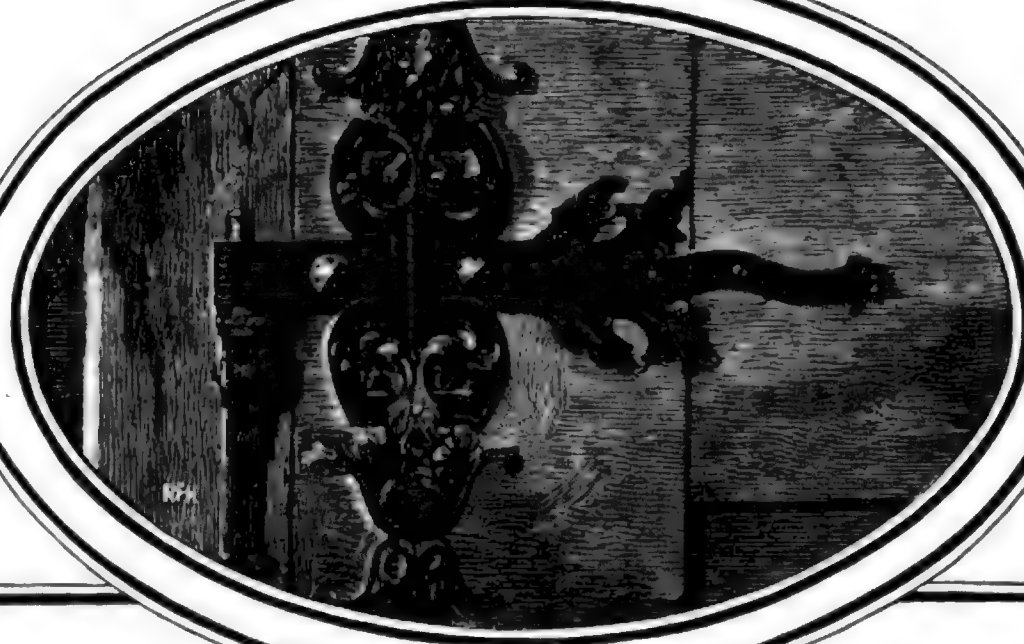
Chicago 6 N. Michigan ave.

Albany, 51 State street
Atlanta, 103 N. Pryor street
Baltimore, 14 Light street
Birmingham, Vault Floor, Jefferson County Bank bldg.
Bridgeport, 989 Main street
Buffalo, 120-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 456-458 Gas and Electric bldg.
Des Moines, 303 Hubbell bldg.
Detroit, 66 Washington blvd.
Fall River, 29 Bedford street
Hartford, 76 Pearl street
Houston, 708 Main street
Indianapolis, 312 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 626 Caswell block
Minneapolis, 425 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 437-439 Oliver bldg.
Portland, Me., 665 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1223-24 Mutual bldg.
St. Louis, 805-815 Arcade bldg.
St. Paul, 131 Endicott arcade
Scranton, 408 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 401-407 Gurney bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N. W.
Worcester, 537 State Mutual bldg.

Distributors
F. W. Wentworth, San Francisco, 538 Market street
Seattle, 108 Cherry street
Oakland, 1444 San Pablo avenue
McKee & Wentworth, Los Angeles, 443 Pacific Electric bldg.
Parker Bros., Dallas, 100 Field street
C. O. Adams, Salt Lake City, 130 Atlas bldg.

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Hinges! A clumsy world it would be without them. Human invention has never devised a substitute. In a simple way they perform an important task with the greatest possible efficiency. ❦ ❦ ❦ In the realm of business the Mimeograph is an important hinge, upon which the door of opportunity swings open to larger fields of service and profit. With its help five thousand beautifully printed copies of a letter may be ready for mailing within an hour—forty and more thousands a day. The work is done at negligible cost and privately; if need be, under your intimate supervision. A remarkable economy is the Mimeograph, for the rapid reproduction of all kinds of typewriting, handwriting, drawings, etc., for development work inside and outside of the organization. Get new booklet "B-9" from A. B. Dick Company, Chicago—and New York.

EDISON DICK

GIFT
NOV 8 1920

BUSINESS

NOVEMBER 1920 160,000 COPIES



Burroughs Adding Machine Company

Detroit, Michigan

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"Do it—Don't ask how"

THAT is what a big executive said to his office manager when told the bookkeepers were swamped—and unable to get the payrolls out.

His office manager did "do it." He got a quick installation of bookkeeping machines. He continued to get the mammoth payrolls out on time each month and cut office costs tremendously.

Part of the equipment was Baker-Vawter current account trays. They are a big help in machine bookkeeping. Each tray can handle 1800 leaves with the necessary indexes. It makes a permanent container for active ledger leaves, statements, etc., and it cuts costs.

All Baker-Vawter equipment is designed to cut costs in the office.



BAKER-VAWTER COMPANY

Originators and Manufacturers Loose Leaf and Steel Filing Equipment

To facilitate deliveries we maintain production at these points:

Benton Harbor, Mich.
San Francisco, Calif.
Holyoke, Mass.
Kansas City, Mo.

Canadian Distributors: Copeland-Chatterson, Ltd., Brampton, Ont.

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New 1920 Model



DIAGRAPH YOUR SHIPMENTS

Simplicity, Speed, Endurance

Simplicity in construction because of correct design. Speed that meets the requirements of the world's largest shippers. Durability to last a *Business Lifetime*. These, plus new and improved features not to be found in any other machine, have made the DIAGRAPH famous with shippers everywhere for the past nineteen years.

There is a DIAGRAPH for every need; with the DIAGRAPH you can perform a broader range of useful work than with any other type.

Try It Before You Buy It

Prove to your own satisfaction, without expense, that the DIAGRAPH will avoid drudgery, error and delays in shipping—simply ask us to send a DIAGRAPH today, prepaid. Give it a thorough trial. If you like it, then buy it; otherwise return it at our expense.

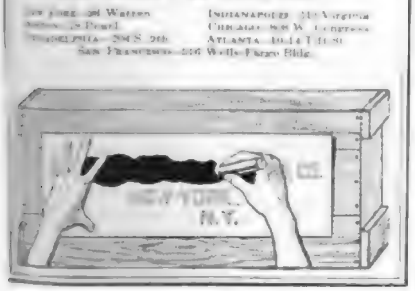
Shipping Room Supplies

Stencil board, inks, brushes and other shipping room supplies can be bought at marked savings direct from our St. Louis office or from branch office nearest you.

DIAGRAPH STENCIL MACHINE CORP.

910 Clinton Street ST. LOUIS, MO.

Branch office in all principal shipping centers—see phone books



BUSINESS

NOVEMBER, 1920
Volume Two Number Two

LUCIEN KELLOGG
Editor

S. D. R. SMITH
Business Manager

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B U Y **INK** Not Water

Save At Least 400% On Your Ink Bill

Stop buying water at ink prices. Adopt—

KVALE'S INK TABLETS

Each tablet makes 1 oz. of ink.

COLORS: Blue-black, Blue, Red, Purple, Green.

No acid to corrode pen-points. No gum. No sediment. Free flowing. Ideal for fountain pens. Our process of making Kvale's Instant Ink Tablets is the same as fluid ink method, except that instead of adding water we compress the ingredients into tablets, and furnish them to you in a clean and convenient form, and you add the water.

No trouble with freezing or breakage. No loss from evaporation. Keeps indefinitely. No freight to pay on water.

Kvale's Acid-Proof Ink Powder

in quart sizes. Makes an ink that is guaranteed to be indelible, acid-proof, fade-proof and water-proof. Will keep forever. Non-acid, it will not corrode pen points. A perfect writing fluid, especially recommended for checks, notes, deeds and other valuable documents. Is ideal for bookkeeping. Unexcelled for fountain pens. Ask for quotations.

JOHN KVALE INK COMPANY
Suite 1021, 8 South Dearborn St. CHICAGO



Appealing to the Pride of Employees

In these days of industrial unrest, many leading establishments have found it good business to furnish employees with individual Steel Lockers in which to keep belongings during working hours. It appeals to personal pride—raises the standard of the institution—wins good will—fosters the spirit of loyalty and co-operation.

MEDART STEEL LOCKERS

Possess many points of superiority that make them the choice of discriminating buyers. Made of smooth sheet steel with welded joints and richly enameled. Multiple locking device operates with one turn of the key. Adjustable legs. Fire-, rust- and theft-proof. Easily installed by anyone. The reasonable first cost is the only cost.

Send for Booklet

It illustrates and describes all styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools and gymnasiums. Inform yourself. Get the facts. Clip and mail the coupon below. We also make Steel Shelving, Racks and Bins for storage, stock room or office. State if interested.

Fred Medart Mfg. Co.
Potomac & DeKalb Sts. St. Louis, Mo.

Fred Medart Mfg. Co.
Potomac and DeKalb Sts. St. Louis, Mo.

Please send your free booklet describing MEDART Steel Lockers. We employ about people.

Firm Name.....

Address

Attention Mr.....

We are interested in Steel Shelving, Racks, Bins.....(Please check)



Finishes a Day's Work Every Hour for Remington!

MOUNTAINS of correspondence melt away before the speedy "self-starting" Remington.

Yet in the Executive offices of this world-famed typewriter company you will find *another* "writing machine"—the Addressograph. "Strange," you say, "that Remington should choose *another* machine for work their typewriters *could* do."

But Remington officials know that writing the SAME names, addresses, dates, symbols, etc., *over and over* with pens *OR TYPEWRITERS* is as illogical and unprofitable as handling correspondence with old-fashioned quills.

Speed that's 15 TIMES FASTER—work just like best typewriting—never failing accuracy—these are the Addressograph advantages that please Remington and thousands of others.

Hand, foot lever or Electric Addressographs for every list. Have $70.00 "typewriter-size" machine demonstrated at your desk. No obligation! Write us!

Executive Offices
Remington Typewriter Company
Remington Building
374 Broadway
New York

April 9, 1920.

Addressograph Company,
901 W. Van Buren Street,
Chicago, Ill.

Gentlemen:

The Addressograph has rendered us an invaluable service in connection with the mailing of our house publication, Remington Notes.

The mailing list for Remington Notes consists of over 140,000 names and handling this mailing list was a real problem until the Addressograph solved it for us. We find that Graphotype plates are enduring, make excellent impressions and that with the automatic feed Addressograph we can now address in an hour as many envelopes as we formerly addressed in a day.

Few hours of the day find the Addressograph idle, for we use it for sending acknowledgment cards to new "subscribers" to Remington Notes, in addressing the envelopes of an extensive school list, in addressing circular letters to salesmen and managers, in making out weekly pay envelopes and addressing the stockholders' list. We are constantly finding new uses for the Addressograph, and all of them represent a saving of time and labor which has made the Addressograph indispensable to us.

Very truly yours,

Remington Typewriter Company,
Alan C. Parley
Advertising Manager.

ACR:D

Addressograph

TRADE MARK

PRINTS FROM TYPE

905 W. Van Buren St.
CHICAGO

Service Branches
in 50 Cities

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"Dyed With American Dyes"

Our Chemists Are Fast Enlarging Their Repertory, Making Us a Nation of Sellers Instead of Buyers

By EDWIN E. SLOSSON, Ph. D.
Author of "Creative Chemistry"

THE WAR has endowed us with a new industry, the making of coal-tar colors. The question of the day is what shall be done with it? This question concerns not merely the three parties immediately interested—that is, the dye-makers, the dye-users and the importers—but all the rest of us as well. The American people as a whole are involved in it in two ways: first, as consumers, because they have to buy and wear the colored clothes; second, as the rulers of this republic, because in this capacity they have to determine what manner of protection shall be given to this infant industry.

Coal-tar chemistry came to us by accident and necessity as one of the results of war. Our associates in the conflict claimed compensation and obtained it. We asked nothing and we got nothing—except certain commercial opportunities. It depends upon what use we make of them whether they are of value to us. One of these is the chance to make our own coal-tar colors.

Before the war Germany produced about six-sevenths of the world's output of artificial dyestuffs and had a monopoly of many of the most valuable coal-tar drugs as well. Now it need not be assumed that the Teutonic mind has a chemical lobe in its brain that is lacking in the anatomy of other nationalities. Even if that were the case we have plenty of good Americans with Teutonic brains among our own citizens.

The real reason why the Germans got the job of making dyes and drugs for the rest of the world was, when we get down to the bottom of it, because they could make them cheaper and better than other people. It was an industry requiring systematic, scientific research, complete technical control, long experience, and careful workmanship. These have not as a rule been the distinguishing characteristics of American industry.

The British commission of chemical manufacturers, who recently took advantage of the privileges of the armistice to examine the German chemical factories in the occupied zone of the Rhine, were amazed to find that the works at Leverkusen supported a reference library containing some 55,000 books and 65,000 doctors' dissertations and including complete sets of all the chemical journals in all languages and the specifications of the published patents in chemistry and pharmacy of every country. The British commission was convinced that "German success in chemical industry has been obtained through honest labor and is deserved," and they ascribed its success to the generous support of experimental laboratories, and the applications of scientific methods to all stages of production and marketing.

The manufacture of coal-tar chemicals tends naturally to concentration and monopolization, for the three thousand products are derived from the same source and are made by similar methods and apparatus. The process branches like a growing tree. The distillation of coal produces gas, coke and tar. The tar, redistilled, gives "crudes" such as benzine, toluene and naphthalene. These, by chemical treatment, are made into "intermediates" such as aniline, benzoic acid and carbolic acid. Each of these gives on further manipulation a long series of compounds from which branch, like fruit on a tree, the final products.

Success depends upon getting high yields of the most profitable products, and avoiding waste. The by-products all along the line must be worked up into something salable. The good

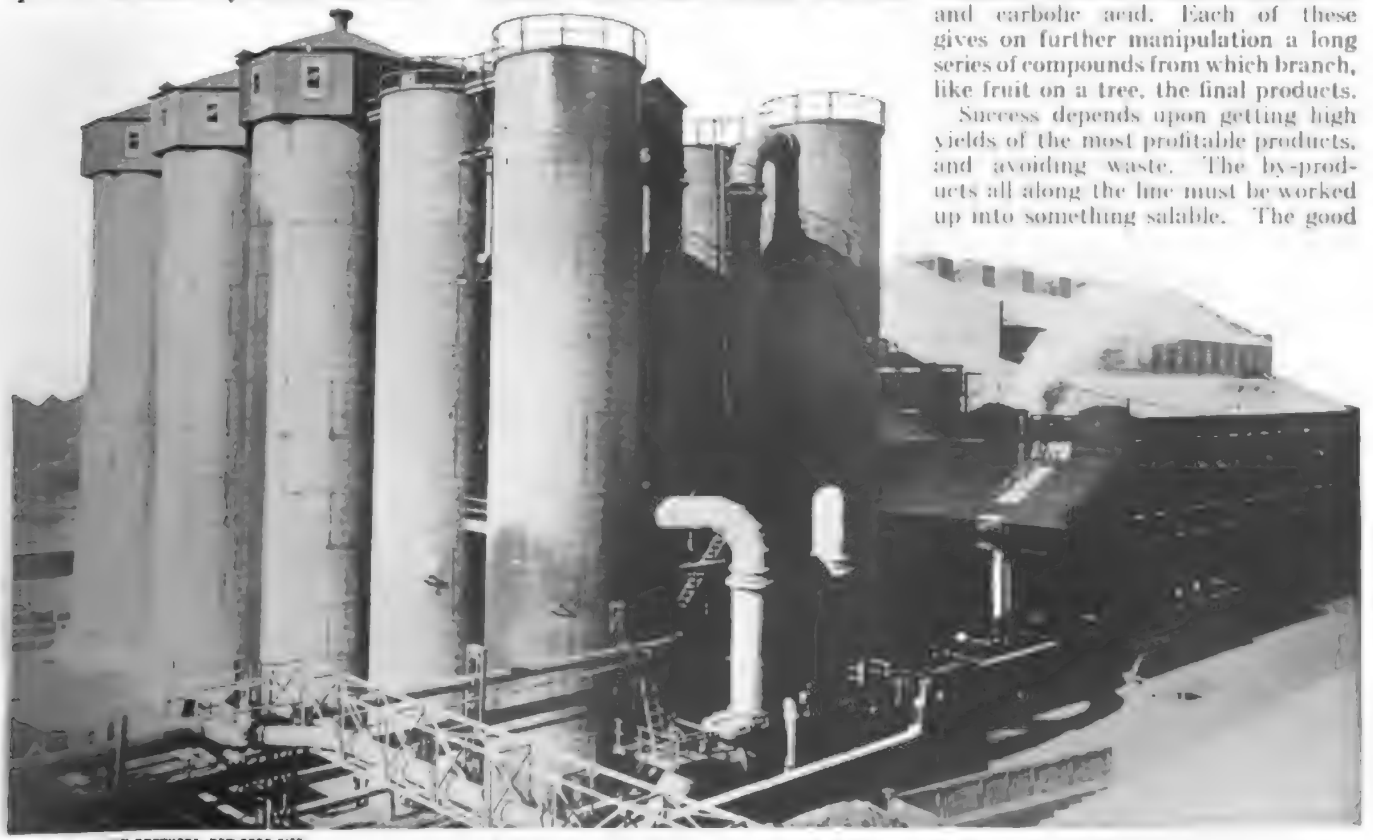


PHOTO BY BROWN BROTHERS, NEW YORK CITY
One of the biggest competitors of the German dye industry—a benzol plant erected in America during the war

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PHOTO BY BROWN BROTHERS, NEW YORK CITY

Dyeing black skein silk in an American mill

chemist, like the good cook, looks after the left-overs. The dye business is not a big business—one plain and permanent process like turning out tin plates or steel billets. It is a big combination of little businesses, closely concatenated and constantly changing.

Out of this black, sticky, ill-smelling stuff that used to bother the gas maker by clogging his pipes, have been created thousands of hitherto unknown compounds, some of which are distinguished by their bright color, some by their strong odor, pleasant or quite the opposite, and some by their powerful effect upon the human body. Consequently the coal-tar industry, not very great in itself, is important because it makes essential contribution to four industries greater than itself: the dyeing trade, the perfume trade, the drug trade, and lastly, and of late the most essential, that new branch of military science called chemical warfare.

American industries producing annually $5,700,000,000 worth of goods are directly dependent upon coal-tar products, and other industries, quite as extensive, also require them. Yet the value of the dyes used in the United States before the war amounted only to about $25,000,000. That shows why the coal-tar business is called a "key industry." It is a key controlling other industries two hundred times as valuable. The question now is whether we shall again entrust this key to our own business into alien hands or, if not, how we may best keep it in our own with least inconvenience to ourselves.

The great lesson of the Great War is the importance of economic independence. The secret of national strength is self-sufficiency. Unless a country has an extent of territory and range of climate wide enough to provide all the essential raw materials, and has the necessary ability and machinery to develop them, its prosperity must depend upon getting what it needs from its neighbors.

Now constant borrowing is not conducive to neighborliness, even if the loans are scrupulously paid back in other forms. And neighbors cannot afford to indulge their natural altruism freely when they see the family supply running low.

The days of reckless extravagance and generosity, characteristic of the nineteenth century, have gone forever. All the waste land of the world has been taken up and every country is taking an inventory of its internal resources and calculating how much it can spare to others without robbing itself. England cannot long continue to sell her coal to all countries including her competitors, nor can we afford to furnish the world with oil. The bottom of the world's coal bin has been touched in places, and its oil tank is rapidly running dry. We can find better use for our coal-tar now than to employ it, as we once did, for the illumination of campaign victories or the clothing of undesirable citizens. The burning of gas and tar escaping from the old open coke ovens cost the country $930,188,000 a year. It did not pay the coke men to recover it then, but we all shall have to pay some time for their wastefulness.

IN THE future every country must count the cost and see to it that its resources are utilized without waste. Especially will every country consider a well-developed chemical industry essential to its security in wartime as it is essential to its prosperity in peacetime. Chemical products are our defense against death in two forms: against our enemy fellow men armed with gas bombs and against our more minute, more numerous and more dangerous enemies, the microbes.

Since the Germans have revived in a scientific form the old weapon of the Malay pirates, the stinkpot, all other nations have had to follow suit. The United States entered upon the manufacture of offensive chemicals on a larger scale then any other belligerent, and by the time the armistice was signed had plants in operation capable of turning out every month 1,500 tons of chlorpicrin, 1,000 tons of phosgene and 900 tons of mustard oil.

None of these had been manufactured here in quantity before and the most effective of them, the so-called mustard oil, was quite unknown. Chlorpicrin is a coal-tar derivative closely related to the picric acid used for dyeing and for explosive shells. But the influenza caused ten times as many deaths as the war and to meet this microscopic enemy three coal-tar remedies were necessary—aspirin, salol and acetphenetidin. These, too, had to be supplied by American chemists in this emergency, and they were.

According to Dr. Grinnell Jones, chemical expert of the United States Tariff Commission: "During 1918, 32 different drugs of coal-tar origin were made by 31 firms, with an output of more than 3,500,000 pounds, valued at nearly $8,000,000. The total output of finished products of coal-tar origin, exclusive of poison gases and explosives, was 75,494,113 pounds, valued at $83,095,404." Now that the war is over—or, more correctly speaking, now that we are no longer fighting—shall we surrender our medicine chest and arsenal to our late enemies?

Before the war there were only seven dye factories in the United States, employing about 500 people and turning out products valued at $3,600,000.

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Their operations were mostly limited to a few simple reactions in putting together or completing imported intermediates. If they had attempted anything more ambitious they would been crushed out by the combination of German manufacturers who controlled the patents of the newer dyes and could afford to undersell any formidable competitor. By 1918 there were 187 dye factories in the United States, employing 27,000 people and turning out products valued at $62,000,000. Before the war the United States was importing 23,000 tons of dyes a year, mostly from Germany. By 1918 the United States was making 29,000 tons of dyes a year.

Before the war no indigo was made in this country. Today every pair of workingman's blue overalls in the United States is made up from denims manufactured from American cotton and dyed with American-made synthetic indigo. The same is true of all other indigo-dyed cotton fabrics for men's, women's or children's garments. The total production of synthetic indigo in the United States today is substantially greater then the importation of German synthetic indigo into this country before the war. In other words, the United States today is absolutely self-supporting so far as this most important and valuable dyestuff is concerned.

Before the war there was no synthetic phenol made here; in 1918 the American production reached 16,000,000 pounds. Phenol, or carbolic acid, serves both for medicines and munitions; it makes wounds and it cures them. It is invaluable, too, in the manufacture of phonograph records.

But this amazing progress does not mean that the American dye industry is sufficiently well established to meet all home demands and all foreign competitors. The prices of these homemade dyes are in general five to ten times as high as of the imported dyes before the war and, what is more serious, some of the colors needed are made in insufficient quantity or not at all.

Comparing the market prices of twenty representative American-made dyes as quoted on June 15, 1920, with the prices of the same dyes made in Germany and delivered in the United States, I find that the prices have advanced to 616 per cent. Some are much higher. For instance, Rhodamin B, a beautiful pink dye, which the Germans used to sell to us at 41 cents a pound, now costs $40 a pound. The vat dyes of the anthraquinone and carbazol groups are not yet made in America to meet the demand. These are particularly needed for fancy shirtings and ginghams. On the other hand, Sulphur Black, of which the American people use over 12,000,000 pounds on their stockings and the like, was sold to us by the Germans at 19 cents a pound. It jumped to $3 a pound when the war broke out, but now our American manufacturers are able to sell it at 20 cents.

THE deficiency in American-made dyes shows chiefly in the lighter, finer and more delicate shades. It is hard to get them in sufficient variety and of satisfactory quality to stand the strong hot alkali and chlorine baths now used for washing. Unfair fashion, favoring the fair sex, allows man no opportunity to display his natural love for color except in summer shirts. But such a garment, selected with care to match necktie and socks, may change color or turn pale the first time it is laundered. Consequently people have come to think that homemade dyes are inferior and will fade.

This reputation, however, is largely undeserved. No doubt some of the two hundred hastily organized firms that plunged unprepared into the dyemaking business in order to take advantage of high prices, did turn out some inferior stuff. But the trouble was often with the man who used the dye rather than with the man who made it, for the dyer, unable to get what he was accustomed to use, substituted inferior, unsuitable, or at least unfamiliar dyes and was tempted, because of the high prices, to use less than was needed to insure permanency.

Now, however, these difficulties have been mostly overcome. Many of the American dyes are quite as fast and reliable as any foreign, and some of them are decidedly better. The big concerns like the American Aniline Dye Company, of New York, and the E. I. du Pont de Nemours Company, of Wilmington, Deleware, have established research laboratories on a scale comparable with those of Germany. In 1917 American dye manufacturers spent $2,500,000 on such chemical investigations, and in 1918 they spent $4,500,000.

Since those who entered the business in 1915 and 1916 did not know how long their freedom from foreign competition would last, they naturally devoted themselves to making those dyes that were most in demand and simplest to make. At the Boston meeting of the American Chemical Society in the spring of 1915, Mr. Livermore, of the American Woolen Company, complained:

"Orange II has been offered to me by a large number of makers, but owing to the limited demand for orange fabrics, it is of little help to us compared with blue and black dyes. It seems surprising and unfortunate that so much effort has been turned to this dye. Can anyone give the explanation of this?"

He was answered by Mr. Hebden, general manager of the Federal Dyestuff and Chemical Company:

"The dyemakers are seeking the line of least resistance. Orange II is the easiest dye on the list to make. I may say that any boy can make it."

This was confirmed by Mr. Claflin, president of the Avery Chemical Company, who said:

"I am one of the boys who is making Orange II, and I may add that any boy can sell it at a profit of 100 per cent."

Our fashions in fabrics for the past six years have been dictated less by the taste of the wearer than by the exigencies of the dye market. Our chemists, however, are constantly enlarging their repertory and are now able to suit almost anybody. Still, they cannot yet get satisfactory yields in all cases, and so prices have not fallen as much as was expected

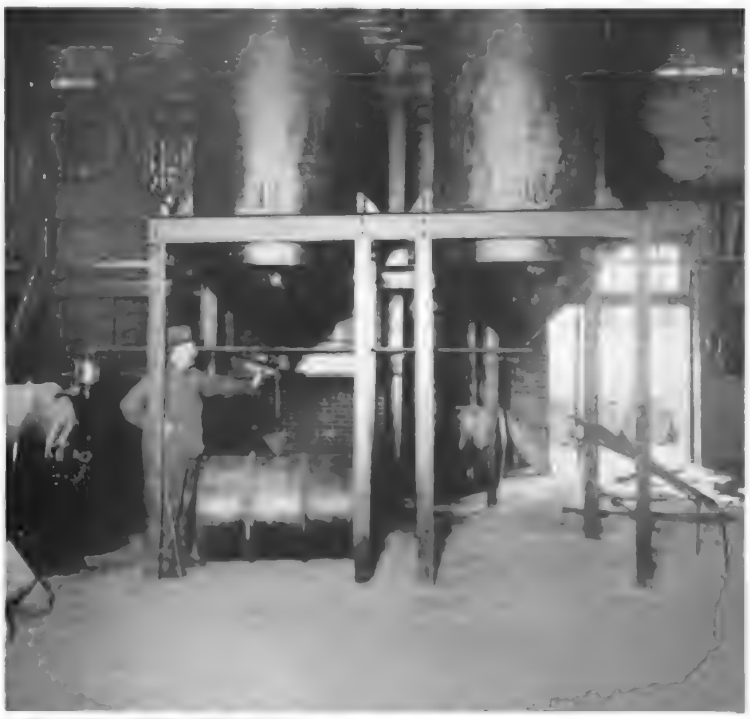


PHOTO BY BROWN BROTHERS, NEW YORK CITY
Removing the oil from aniline oil separators

(Continued on page 20)

The Postmaster as Delivery Boy

Every Day He Delivers 7,000 Packages, Big and Little, for St. Paul's Stores for a Trifle More Than 9 Cents a Package

By EARL CHRISTMAS

A SHORT, thick man with a high forehead and a square jaw was sitting one evening on the porch of his home in St. Paul. A delivery wagon from a downtown store went past. A few minutes later a wagon from another store went dashing by.

The appearance of those two delivery wagons within a few minutes of one another set the short, thick man to thinking. He was something of a student of human nature, and he recognized that few people like to carry bundles. Let a man buy a few collars, for instance, and if possible he will have them delivered. During the war merchants were able to persuade many of their customers to carry their purchases home and thus conserve manpower, but since the war ended the demand for delivery service has been stronger than ever. Were it not for the fear of delays, merchants say, most of those few people who still carry bundles would request delivery.



You order a washtub or a Kiddie Kar from a downtown store, and behold, it arrives next morning in the mail!

It was along these lines that the short, thick man began to think as he observed those two delivery wagons from two different stores traveling the same route at almost the same moment. True, it was none of his business what people did with the things they bought. He was only St. Paul's postmaster, and postmasters aren't supposed to break precedents.

Otto N. Raths, however, is no ordinary postmaster. With the usual qualifications for postmastering he combines those of a business executive. Hence it happened that when Mr. Raths decided that the stores of St. Paul were wasting too much motion in delivering goods, he decided at the same time to be delivery boy himself for the whole city.

As a result of this man's decision, there's a new type of delivery wagon, and Uncle Sam is running it. Some morning about 8 o'clock you will hear a ring at your door, and there will be a man with the ash can you bought down town the evening before, or perhaps it will be a jar of honey for breakfast. You will be surprised, and then you will see he is the postman. Then you'll be surprised again, if you happen to share some of the popular notions of the efficiency of the postal service.

City delivery by parcel post, however, is an accomplished fact in St. Paul, where the government has taken over the deliveries of the big department stores. What is more, the postoffice, starting for the first time upon this novel venture, is doing the job faster and better than the stores themselves could do it, to say nothing of the saving due to the elimination of waste and duplicated effort.

Started in a modest way last spring, the system has expanded until it now serves all the big retail stores in St. Paul and has attracted national attention among merchants and business men. Postoffice officials at Washington are closely watching the experiment, and its success suggests the thought that before long the plan will be in general use throughout the nation.

Certainly in St. Paul nobody longer doubts the feasibility of the system. "Let Raths take them home," is the slogan of the shoppers.

The item of delivery has always been a problem to the retail merchant, and an expensive one, too. Furthermore, it has been a prolific source of vexation to the customer. It is scarcely too much to say that good will, that indefinable but invaluable asset, gets more pin pricks from the delivery system than from almost any other source.

The big department stores, handling thousands upon thousands of packages a day, faced an enormous expense in developing a delivery system that would even approach perfection. They spent vast sums in improving this branch of their service, but always there were delays and complaints.

Turning the job over to the postoffice never had been seriously considered in any city. From the viewpoint of the average business man the suggestion, "Let the postoffice do it," would have been the height of folly. In the eyes of the merchant, and the customer as well, the postoffice was about the one institution that was more leisurely even than the delivery wagon of the average store.

"Turn my business over to the postoffice? Why in a week I wouldn't have any," said the merchant.

"Could anything be slower than the mail?" went up the popular acclaim from the buying public.

But Raths had an idea that a postoffice can be efficient. He knew the postoffice could make the deliveries better than the stores, but the merchants didn't. So he started out to tell them why.

Selling the postoffice service was his job. And it was a tough job. None

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of the stores alone, in competition with other stores, wished to risk the venture. But Raths stuck to the job and pounded away at them, the first instance in the country of a postmaster who went out on the street and canvassed for patrons.

Finally there was a break in the line, and then gradually all the stores came in—more or less timorously at first, more rapidly as the rush to cover increased. Now you can't get a St. Paul store, no matter how big or little, to go back to its old delivery system.

"It was just a question of selling service," the postmaster said. "The parcel post regulations always had permitted the stores to make deliveries by parcel post, but we never were in a position to handle them efficiently. No store would trust the postoffice, and all maintained their own systems.

"We simply developed a system to handle the business and then went out after it. A postoffice exists for service—that is its only excuse for being. If its utmost service isn't being used, then it is the place of the postmaster to go out and get the business.

"A postoffice is no different from any other business except that in a postoffice your chief concern is service, and there is no thought of profit.

"When the merchants found out that we meant business they came in in a hurry. For years they had appreciated the advantages of a central delivery system, but business jealousies had kept them apart, chained to the old and expensive individual delivery systems. The government simply showed the merchants how to accomplish what all had been striving for."

Under the old private delivery systems six big department stores in St. Paul used one hundred twenty-five automobiles and trucks in making their deliveries. Wagons from the different stores traveled the same territory, often two or three passing the same house in a half hour.

In the first few months under the new parcel post delivery system, forty-two automobile trucks and wagons had been discarded permanently by the stores. Others, kept while the system was being introduced, are being discarded from time to time.

More than seven thousand packages—practically the entire output of the big stores coming within the parcel post regulations as to size—are delivered daily by the St. Paul postoffice, and no more than fourteen trucks are required to do the job.

In fact, during the first four months, the postoffice has operated the delivery system without the addition of a single piece of equipment. Fifty men have been added to the force, but no new equipment.

Fourteen trucks doing the work of more than a hundred—that suggests a higher degree of efficiency than is found in the usual postoffice. Postmaster Raths, however, has obtained authorization for the purchase of ten new trucks to care for the growing volume of the business and plans eventually to add thirty more. These forty trucks will handle all deliveries from the stores, and leave a substantial number in reserve for emergency periods, such as the Christmas season.

But the cost, you ask. That is the significant thing in this plan of "letting the postoffice do it."

Under the old system the stores paid from eleven to twelve cents a package for their delivery alone. In some instances the cost ran as high as 15 cents. Of course, the consumer paid the bill in the long run; nevertheless, it was an item that worried all the managers.

THE average cost of delivering a parcel through the mail is slightly more than 9 cents, Mr. Raths has determined from a study of his charts. That's another unusual thing about this postmaster. He charted the whole thing out in advance, and now he is watching daily how close results are coming to expectations.

But this 9 cents includes all the C. O. D.'s. That suggests another interesting phase of the new plan. The stores are turning over their collections to the postoffice, and are mighty glad to get rid of this troublesome task. Incidentally the stores in St. Paul are finding that Uncle Sam is the best collector in the world.

Two thousand money orders are issued every day in these collections for the stores, and the total is boosting postal receipts thousands of dollars in excess of those for last year. It is estimated that the plan will add $250,000 worth of business to the postoffice in a year.

The average cost of delivery, where there is nothing to be collected by the postman, has been reduced to slightly more than 6 cents, according to Mr. Raths' charts. Since only about two thousand of the seven thousand are C. O. D.'s, the cost of delivery for the majority of packages is but little more than half what it was under the old private delivery systems.

William Mannheimer, of Mannheimer Brothers, the first big store in the entire country to try the plan, said records of his store showed that the cost of delivering a parcel is now but 7 cents. Of twelve trucks and wagons formerly used by this store, all but three have been discarded. These are used for furniture, which is too large to come within the postal regulations, and for deliveries in Minneapolis.

Postmaster Raths has established a central assembling depot in the downtown district, with fifteen substations throughout the city. When the stores close at 6 p. m., postoffice trucks call at the stores, which are numbered postoffice stations, and take the bundles from the afternoon's sales to the central assembling plant.

By 3 a. m. the big trucks are hurrying the parcels to the substations in the

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The new type of delivery wagon introduced in St. Paul. It carries everything from groceries to garbage cans

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Competitors, Excuse Our Dust

By J. R. SPRAGUE



"Henry's formal opening was a big success. He had an orchestra playing all day and a couple of attractive girls dispensing punch from a large cut glass bowl"

WHEN HENRY BENNETT opened his china and glassware establishment on Market street right next door to my place of business, I felt sure of his success. Henry Bennett himself radiated confidence. He was a snappy young man of twenty-eight, for several years past head salesman in the Elite China Emporium, knowing the business thoroughly and being personally acquainted with the best trade of the city.

There were those who thought Henry Bennett a trifle conceited; at the Elite it was sometimes said he would rather pull off a ten-dollar sale by some clever stunt than make a hundred-dollar sale in the prosaic routine manner. I set this down, however, as envious gossip toward one who had made good. I had known him from the time he graduated from high school; he had gone to work for the Elite as errand boy and worked his way steadily upward. And now, just when he was best fitted for it, he was enabled to go into business for himself through an inheritance of twenty thousand dollars from a distant relative.

Twenty thousand dollars to go into business with! It seemed like a Treasure Island or an Arabian Nights sort of situation. I had opened my drug store fifteen years before on a bare twelve hundred dollars, and for the first five years had to sweat to keep my head above water. During those five years I would not have known a cash discount if I had met it in the street; I had to buy my goods wherever I could get a little credit and paid the bills in driblets as I managed to scrape up the money. I recall with shame that in those early days I have had to send a creditor as small a remittance as ten dollars on account, just to keep him good-natured and to show that I was trying.

But here was Henry Bennett with his twenty thousand dollars cash capital going into business as a gentleman should. The manufacturers would all be anxious to sell him; he would be able to get exclusive lines; he could afford to advertise liberally in the local newspapers and to hire adequate help. I felt he was not overstating the situation when he came in my store to tell me that he was going to open up as my next door neighbor.

"I am going to show these people 'round here," he said confidently, "how a retail business ought to be run. Maybe it will be a little hard on my competitors," he added laughingly, "but business is business, you know."

Henry's formal opening was a big success. He had an orchestra playing all day and a couple of attractive girls dispensing punch from a large cut glass bowl. Every visitor was given a souvenir and a chance on a dinner set. Henry himself was a picture to inspire confidence as he stood at the front door receiving his guests, dressed in a nice black cutaway suit with a flower in his buttonhole. He was gracious and smiling to all; even when a cunning little youngster of seven summers, whose mother lacked discipline, climbed on top of a show case and knocked a twenty-dollar cut glass vase off on the floor, Henry did not lose his affability.

Henry certainly did make good his announcement that he would show the other merchants how a first-class store ought to be run. Our city has fifty thousand inhabitants and we like to feel that we are a regular metropolis, but it must be confessed that most of the stores still operate in a small-town way. There are some exceptions, of course; the Twentieth Century Pharmacy is so up-to-date that it is hardly to be recognized as a drug store at all, appearing more like an ice cream parlor. Morris Brothers, Bon Ton Clothiers, are also up-to-the-minute merchants, being the first clothing store in town to discard the old-fashioned tables and to install the square glass show cases from which the suits of clothes are slid out at the delighted customer on little railroad tracks. Morris Brothers were also the first clothiers who dared to trim their windows without the aid of wax-faced figures.

These, however, are only shining exceptions. Most of our merchants still stick to the old small-town ways. They have not yet reached the private

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office stage, but have their desks right out in the open, where they can be approached by any customer with a complaint, and can even be interviewed by drummers without the formality of sending in their cards through an office boy. There is scarcely a merchant in town, not even excepting Julius Frank, proprietor of the Mammoth Department Store, who cannot be seen on busy days behind his counter personally waiting on customers.

Henry Bennett did not intend doing business in any such piking manner. He had a balcony built at the rear of the store where he had his private office and from there he pulled the strings that directed the destinies of his enterprise. He gave strict orders that he must not be called down on the floor except on the most important matters. Traveling men had to send their cards up to him and take his yes or no through a third person; he had no time to waste in arguments with drummers.

Henry sat in his upstairs office all day long with his stenographer, while the selling down stairs was attended to by two men and two women clerks. Counting his own salary, the office expenses amounted to almost as much as the salaries of the selling force. Being on such a friendly basis with him and an older man besides, I took the liberty of talking to him about it one day.

"Henry," I said, "it looks to me as if your organization was a little top-heavy. Your salespeople are carrying a heavy load. You, yourself, for instance, are the most expensive employee in your establishment and yet you are not producing anything."

Henry looked as if he were going to stop me to refute my implication, so I hurriedly raised my voice a little and went on.

"When you worked at the Elite," I said, "you drew a good salary because you were a rattling good salesman. You were acquainted with everyone in town and you certainly did know how to handle customers. You were worth every cent the Elite paid you.

"Your biggest asset is your salesmanship. But now that you are in your own store you are throwing away that asset altogether. Why don't you hire a good man to do the work in the upstairs office and spend your own time down on the floor selling goods?"

Henry had every right to get sore at me for my presumption in telling him how to run his business. But to my great relief he kept his good nature, only looking at me in a pitying way as one sometimes looks at a well-meaning but ignorant child.

"I guess you haven't studied the fundamental laws of business much," he said. "If you had you would know that it is the function of the owner of an enterprise to attend to the big things and to leave the details to his subordinates."

It was evidently a subject that he prided himself on, because he went on with increasing earnestness.

"How would I look," he demanded, "fussing 'round on the floor of the establishment of which I am the proprietor, making dollar-and-a-half sales to working people, wrapping up packages, or arranging glass dishes on the shelves? Do you suppose Marshall Field or John Wanamaker built up their great stores by doing piking things like that? You bet your life they didn't. They attended to the big matters just as I am doing. I am showing you merchants 'round here how a regular business ought to be run. You don't understand big-league methods, that's all."

OF course I had no "come-back" to an argument like that. I had my own private opinion that both Mr. Field and Mr. Wanamaker did unimportant things in their stores when they first started, but I had no way to prove it, and so did not argue.

As time went on I thought I could see that Henry was getting more pleased with himself as a skillful business man. He used to pride himself particularly on the fact that he was a shrewd buyer.

"The reason a lot of merchants make failures," he told me one day, "is because they don't know how to buy their goods. They stick to the same wholesalers year after year, paying any old price that the wholesaler sees fit to ask them.

"You bet I don't do that way," he continued, looking at me keenly to see if I admired him enough. "No, sir, I don't buy any line right through. Every wholesaler has some items that he marks awfully cheap, which he uses as bait to get a buyer interested and then makes up for it on the rest of the line. But they don't catch me that way. When a drummer comes along I go over his line and buy the bargains only. I leave the long-profit stuff for those hicks to buy who wouldn't know a bargain if they met it in the street."

I didn't have any idea of trying to convince Henry that perhaps he wasn't as shrewd a buyer as he thought he was, but it didn't seem to me that he was altogether wise.

"Maybe you are right, Henry," I said, "but even if the wholesalers do have some leaders which they use as bait, can you afford to buy your goods that way? When you buy little dabs of stuff here and there you aren't making solid connections with any one house. Your business amounts to so little with each one that you don't count with any of them. You know it pays sometimes to have some good strong friends among the big wholesale houses."

Henry came mighty near being disagreeable in his reply.

"Oh, that's all right for some little storekeeper who is operating on a shoe string and needs to have some wholesaler carry him along," he said impatiently, "but I am not in that class. This friendship stuff in business doesn't amount to anything where a real merchant is concerned. I buy bargains only. If they don't want my business they needn't have their salesman call on me."

Henry's newspaper advertising was mighty good, although some people thought he was a little self-centered on account of having his picture at the top of each ad labeled, "The Man Who is Making Merchandising History." He changed his copy every day, which was a plan some of the other merchants who changed theirs about once a month might have followed profitably. He did not use large space in either the morning or evening paper, but he really made the space count. He nearly always mentioned some special values that he was offering and he emphasized the fact that his store had the new things.

His determination to be known as the most up-to-date merchant in town was quite a hobby with him, and undoubtedly brought him a great deal of business. He had one habit that was rather



"'Take that to his lordship,' he shouted, pointing to the shapeless mess on the floor, 'and ask him to adjust it. I can't wait until four o'clock this afternoon. I work on system, too!'"

(Continued on page 28)

A Million-Dollar Sale—At Cost

That's What a Milwaukee Store is Putting on, but Nothing is Marked "At Cost," so the Public Has the Fun of Guessing

By LEONARD H. ALLEN

IN 1919 the Boston Store, of Milwaukee, surpassed its sales record of 1918 by more than two million dollars.

The buying public of Milwaukee participated in that achievement—naturally so, since it was the public that bought the merchandise. And the Boston Store told the public about it. Even during the year, when it became apparent that a new sales record was being made, the public was taken into the secret.

Along in August of 1919, through its advertising channels, the store made an announcement that, in tenor but not in these exact words, ran something like this:

"The Boston Store is having the biggest year in its history. We do not know how greatly this year's sales will exceed the sales of last year, but we have set the goal at a million dollars. We shall try to make this year's business exceed last year's by that amount. From time to time we shall tell you what progress we are making."

Before the end of the summer it became apparent that the objective of a million-dollar increase would be reached; and early in the winter the million-dollar mark was passed. At the beginning of December the Boston Store told the people about it in an announcement that read something like this:

"We've done it. We announced a few months ago that we would try to make our sales this year exceed last year's sales by a million dollars. We have reached that mark and passed it. There still remains another month in 1919—December. Our objective now is to sell a million dollars' worth of goods this month. We shall tell you how well we succeed."

And now, leaving December in progress, let's do a movie "cut-back" to August, 1919—and to the private office of the vice-president of the Boston Store, C. Herzfeld. It was along in August that Mr. Herzfeld conceived an idea. It was an interesting merchandising idea, an unusual idea—perhaps a daring idea. It was a big-scale sales idea, one that harmonized with the idea of taking the public into confidence and co-operation, but carried the thought considerably farther.

Mr. Herzfeld turned the idea over in his mind and looked at it from all sides and from the top and bottom. He called for reports and statistics and figures, and with these he did some figuring on his own account. The thing looked practical—not only practical, but practicable. He called in his colleagues and executives to tell them his idea.

"Next year," Mr. Herzfeld said, "we're going to sell a million dollars' worth of merchandise at cost." And then he told the details of his plan.

First of all, the public was to be taken into the store's confidence, just as the public was being taken into its confidence in the effort to make the sales of 1919 exceed those of 1918 by a million dollars. The public was to be told, at the beginning of the new year, that the Boston Store purposed to sell a million dollars' worth of merchandise at cost during the twelve months, and from time to time during the year the public was to be told what progress was being made.

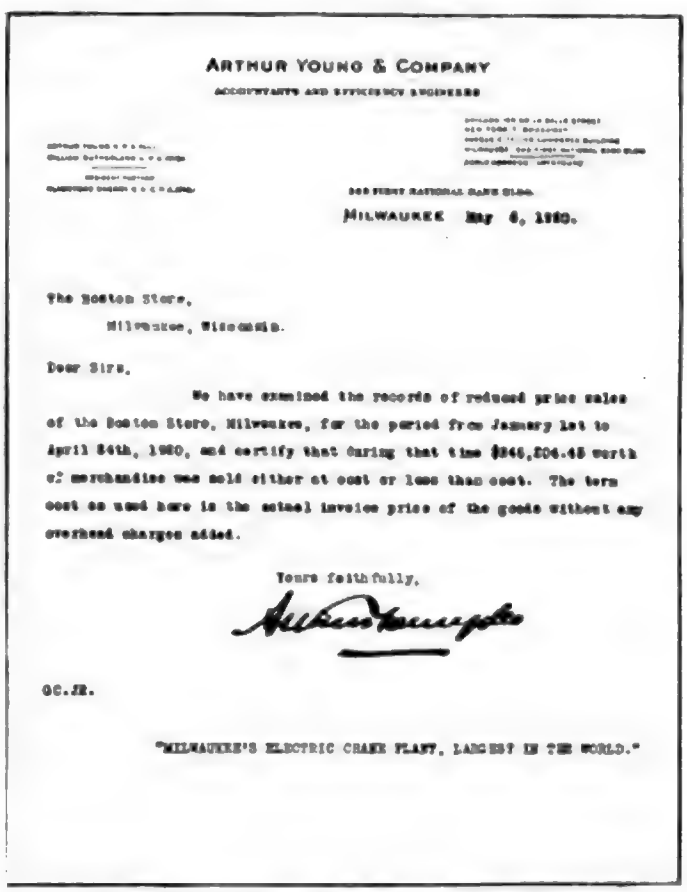
But—and this detail would add a bit of spice—the public was *not* to be told just what particular goods were being sold at cost. Goods to be sold on that basis were to be taken out of the current stock of the store—no "seconds" or "stickers" to be included—and were to be so marked that customers would know the merchandise was being offered at a discount. But nothing was to be marked "At Cost."

Of course, in the natural course of events, there would be other merchandise on sale at discounts—probably, in many instances, this marked-down merchandise would be on sale in the same departments as the goods being offered at cost. But it would be for the customer to discriminate, if he could, between the two; it would be for him to use his sense of values and decide for himself which merchandise had been discounted but was being offered at more than cost and which was on sale at cost. But even of this phase of the plan the public was to be told.

A million dollars' worth of goods at cost in the year—that was to be the quota for the store. In order that system might attend sales effort, this quota was to be divided and apportioned to departments. Two factors were to enter into the apportionment to each department: the ratio of the total of its sales for the preceding year to the total of sales of the store, and the department's expectation of business during the coming year.

With the quotas established, the apportionment for each department was to be divided into twelve monthly instalments—taking into account, of course, the seasonal fluctuations in certain lines of business—and, with relation to its quota, each department was to be placed on a monthly basis. This, it was thought, would make for more accurate control of sales effort and provide a gauge by which sales at cost throughout the store could be distributed evenly through the year. Daily reports to the management were to summarize each department's progress toward its quota.

To each department manager was to be left the responsibility for his department's



ARTHUR YOUNG & COMPANY

ACCOUNTANTS AND EFFICIENCY ENGINEERS

MILWAUKEE May 6, 1920.

The Boston Store,
Milwaukee, Wisconsin.

Dear Sirs,

We have examined the records of reduced price sales of the Boston Store, Milwaukee, for the period from January 1st to April 24th, 1920, and certify that during that time $846,206.48 worth of merchandise was sold either at cost or less than cost. The term cost as used here is the actual invoice price of the goods without any overhead charges added.

Yours faithfully,

ARTHUR YOUNG & COMPANY

GC.JR.

"MILWAUKEE'S ELECTRIC CRANE PLANT, LARGEST IN THE WORLD."

A facsimile of this letter was published in the Boston Store's advertisements, May 9

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Neither in the advertising nor in the store itself does the management call specific attention to the articles offered at cost. It may be that the curtain and drapery materials mentioned in this ad were part of the current offerings of goods at cost, or they may have been offered at a discount—the customer doesn't know which, but obtains a bargain in either case

making quota. The department head himself would select the goods to be sold at cost; he alone would know what merchandise had been so selected, and he alone was to have direct control over the volume of sales at cost. Although forehandedness was not to be frowned upon, no department was to be permitted to pile up its quota of sales at cost during the first three or four days, or even the first week, of the month. There the rule of reason was to apply. And all the time it was to be emphasized that the sale of goods at cost was not to serve as a vehicle for the movement of "stickers;" that sale at cost was to mean exactly what it said, and that cost was to mean invoice cost.

On December 31, in a full-page space in each of the newspapers, the public announcement was made. "A Million Dollars' Worth of Goods at Cost in 1920," the headline read. Then followed this summary of the business of the closing year: "That is our pledge to Milwaukee and Wisconsin in return for having given us the greatest year in our business history. We have reached our goal of a million dollars in December—and have also increased our business for 1919 by more than two million dollars, instead of the million dollars we hoped to get this time last year. The audited figures will be published as soon as complete."

The announcement itself raised the pertinent question: Why? And the announcement answered it thus: "As our business increases, the percentage cost of operation is automatically lessened. The tremendous gains we have made in 1919, together with the gains we anticipate for 1920, put us in a position to distribute a million dollars' worth of goods at its cost to us."

One factor that made the plan particularly timely and virtually assured its success was the widespread clamor, then at its loudest, against the rising costs of living. This condition was skillfully capitalized in the announcement:

"This offer comes in the shape of an immense contribution of thanks and gratitude to all of our friends. You who take advantage of it will find a corresponding and substantial reduction in your living costs, because you will be buying merchandise of every description at prices obtained by this gigantic institution, without any profit whatever."

THE mode of procedure—the code of "rules" for customers—was thus explained: "Goods to be sold at cost may be advertised in our daily newspaper columns, or they may be displayed in the departments without newspaper advertising. We shall in no case call specific attention to the articles offered at cost and shall leave it to your judgment to select them. There will, of necessity, be a continuous change of items placed on sale at cost. They will be distributed throughout the entire store. From time to time we shall advise you as to the amount sold at cost."

And so the year-long sale began. Although everyone in the organization of more than 1,000 employees of the store entered into the spirit of the thing wholeheartedly—its novelty, if nothing else, interested the employees—not much was left to chance. A sale at cost was the plan and a sale at cost it was to be made.

"We were as determined that every dollar's worth of goods that went over the counter on the sale-at-cost basis actually would be sold at cost as we were to make the total reach a million dollars," Mr. Herzfeld told me.

In April, when the total of goods sold at cost had reached nearly a quarter-million, an auditing company was called in. "We want you to go over our records, determine whether this merchandise actually has been sold at cost and report your findings," the store management told the auditors. At the close of the investigation a facsimile of the auditing company's report was printed in the Boston Store's advertising. The report read:

"We have examined the records of reduced price sales of the Boston Store, Milwaukee, for the period from January 1st to April 24th, 1920, and certify that during that time $246,204.45 worth of merchandise was sold either at cost or less than cost. The term cost as used here is the actual invoice price of the goods without any overhead charges added."

It was in August, this year, that I interviewed Mr. Herzfeld. "How is it going?" I asked him.

"Exactly as we planned it," he said. "We haven't found it necessary to change our plans in a single detail."

"Will you reach the million mark?"

"We'll reach it and pass it," he said. "A year ago, when I was working out the plan, I believed that the million dollars' worth of goods we would sell at cost during 1920 would sell an additional million not at cost. And in that respect, too, we shall exceed my expectations."

Farms, Factories and Firesides

How Cleveland's Suburban Manufacturers Have Overcome the Handicap of Location in Keeping Their Workers on the Job

By ARTHUR H. LITTLE

"*BACK TO THE FARM*" is being translated into terms of industry by the East End Manufacturers' Association, of Cleveland.

There are points of difference between the two versions and the two applications of the slogan. The city chap of brain and brawn and skill to whom this organization of East Cleveland factory managements is reaching out the hand of inducement is being urged to come back, not to the farm, but to the factory that not long ago was a farm. Where once the call was to the plow that turned the soil, the urge is now to the lathe that turns the steel. But, as with the old version of the movement, there are difficulties attendant upon the new. The big city, with its lights and its lure, is still the competitor.

For a long time the city of Cleveland has been divided into two big parts. One of these parts lies west of the Cuyahoga River; the other lies east. With the originality that generally attends such nomenclature, the part lying to the west of the river has been called the West Side and the part to the east the East Side.

For years this sort of a division of the city has been deemed sufficient for all purposes. Nature made the division in the first place, and in this one instance man had not seen fit to improve upon Nature's handiwork. Even the War Industries Board was satisfied with a bifurcated Cleveland. For the board, when it applied itself to the task of adjusting the labor mechanism of the city during the war, tuned up the West Side and then the East Side, and let it go at that.

But the unofficial fact, the war board to the contrary notwithstanding, is that industrial Cleveland is, and for several years has been, another Gaul. There is a third part.

When the war board came to town, back in 1918, it took a look at the map of Cleveland, spread out fan-wise southward from Lake Erie, with the river as the main stem of the fan, and said—unofficially, of course—"Well, to the westward we'll have to take in a considerable piece—clean out to Rocky River, in fact. And on the south we'll have to go just about as far. But on the east we can round the pattern off nicely at Eddy Road. Guess there's nothing east of that."

Without any disparagement to the War Industries Board, one may remark in the premises—now that the war's won—that guessing was not one of the best things that the board did. For the tangible and entirely concrete fact is that east of Eddy Road and scattered over the open field along the lake shore and along the Nickel Plate and New York Central railroads, there are and were good-sized, busy factories to the number of more than forty. That's the third part of Gallic Cleveland. And the managements of forty-one of those forty-odd factories comprise the East End Manufacturers' Association.

IT'S a young association as to its organization, dating back only to the latter part of 1918. And it's a young organization as to its personnel. The average age of its members is less than forty. One of the factories represented in its membership is operated by a corps of executives whose average age is thirty-three. If it is the youth of the land that is to be sought to run the lathes and the drill presses, these men should at least be able to talk to the youth in his own language.

A war baby itself, the East End Manufacturers' Association had first to deal with industrial war babies. That dealing, indeed, was the reason for its coming into existence. In the hectic, cost-plus-ten, pre-armistice days of 1918, war plants sprang up in the East End of Cleveland as the mushrooms that grow in the fields there. And for the factories that had been operating in the district for years there was no assurance that these economically boisterous youngsters would not excite the East End factory family into an uproar. It had been a happy family theretofore, pursuing the even tenor of its way out in the home-garden district, bothering no one and asking only in return that it be not bothered. The peace of the family was at stake and to protect it the older members of the family organized.

Thus came into being the East End Manufacturers' Association. For a selfish purpose? Possibly. But—

"Our first consideration," explained R. W. Patmore, executive secretary of the association, "our first consideration was the well-being of our employees. We could see, even if they could not, that the abnormal conditions of war time could not last. We could foresee that the war-baby factories, adopting the usual tactics of offering fabulously high wages, would inveigle our men to them; and that when the war contracts ended the new factories might close without warning and our men would be left jobless, dissatisfied, and in no mood to accept the normal pay that we probably would have to offer them."

And so the association turned its attention first to the matter of employing help. Patmore had been acting, unofficially, as a sort of clearing house of employment for the other factories in the district while he was still an officer of one of the companies. This work was expanded, placed on an official basis and handled at the newly established offices of the association. It was arranged among the factory members of the organization that when any one of them intended to dismiss men or employ additional help the office of the secretary was to be notified in advance.

Thus, when the armistice came and following it the cancellation of war contracts, the East End factories were prepared. No men were turned out of the plants' gates to hunt for



other jobs. Instead, they had new jobs waiting for them before they quit the old ones. Some of the association factories had taken war contracts that were not yet fulfilled; others had prepared for the return of normal conditions by taking on normal work. Consequently, when war work ceased, hundreds of men were simply transferred to other jobs with other companies—but still in the East End district. The employment managers of association factories that needed men went openly and with official permission into plants that were shutting down or curtailing operations and talked to the men at their benches and machines.

And this process is still going on in time of peace. Secretary Patmore's office is still the employment clearing house for the association. Members of the organization are not bound by their agreement to depend entirely upon the clearing house for additional help; many of them right now, in fact, are getting their new labor from among the applicants at their gates. But the one thing that is insisted upon is that if men in any considerable number are to be dismissed from work or if any considerable number are to be employed, the office of the secretary is to be notified at least two days in advance.

"Our aim, you see," Secretary Patmore explained, "is to keep our men working in the East End district. The object is not to protect the labor supply of any one of our members, nor even, primarily for the present, to insure that the aggregate labor supply for the entire association will be adequate to the aggregate need. We are trying to get our men into the way of working in our end of town and staying here."

As the East End Manufacturers' Association views the general subject of getting and holding labor, there are certain very definite limits to what can be accomplished within the factories themselves. One of the things that can be done is to insure employment for the men. That the association is doing through its employment bureau, to the maximum of practical possibility. Other expedients have to do with working conditions, and these expedients generally are classified under the term of welfare work. The association maintains, at its headquarters, an emergency hospital, with medical and nursing service, for employees in plants of the association that do not have these facilities. Recently there has been instituted a plan for the community buying of groceries and other household supplies, through the agency of the association. A baseball league was organized, and to it the association lent its material aid and its official influence. There is an industrial service committee, composed largely of employees, that holds regular meetings and initiates and discusses projects and subjects that have to do with working welfare. The association takes an active interest in broad, civic affairs, such as the paving of streets, the extension of street car service and the like. But further than this, the association feels, it cannot go in "regulation" welfare work with any practical result.

But there is another way that is open. And this way leads to the home of the employee. More literally, in the case of the East End Manufacturers' Association, it leads to the site where his home is to be built.



R. W. Patmore, executive secretary of the East End Manufacturers' Association of Cleveland

Floating labor, in the opinion of the association, may always be necessary to the operation of factories. But the fellow that is the backbone of every group in every shop is the chap with the fixed habitat, the man that owns a home and raises a family and keeps a garden and a cow.

THE East End of Cleveland is no apartment-house district. There are two reasons for this. One is the economic reason that there is no need for apartment houses. The city's congestion of building space has not yet spread that far. The other reason is that there are no apartment houses there. The vacant spaces are interspersed only by single houses; and there is plenty of room—too much room, from the standpoint of utility—between the houses.

As a matter of figures, just about 70 per cent of the men employed in the district live there. Built-up Cleveland is too close. For the married workman, built-up Cleveland has vaudeville theaters and good movie houses and maybe an occasional dinner, with music, at a chop suey restaurant or a cabaret. For the unmarried workman the city has attraction equally seductive—an American League baseball team; burlesque shows and dance halls and parks and more pretty girls to each block of downtown streets than any other city east of the Mississippi River.

The East End has fresh air, green fields, a two-story business district—and not much of anything else.

But there is one important thing that the East End possesses and that built-up Cleveland does not possess, and that is home-building possibilities within the reach of the average workman. Like every other industrial city in the country, Cleveland, as a whole, is desperately under-housed. Not only are there too few houses and apartments for the families that need them, but there is so little space for building that none but the comparatively well-to-do can buy the ground on which to build—except in outlying districts like the East End.

And of this fact the East End Manufacturers' Association is taking advantage. Cleveland has a newly organized Cleveland Housing Company, a semi-altruistic enterprise that has for its primary object the building of homes. If homes can be built with financial profit to the shareholders of the company, so much the better. But the profit is to be a mere incident.

This is the housing company's plan and method: It is intended that the enterprise shall pay not more than 7 per cent to its stockholders. Its shareholders are Cleveland employers of labor, not only manufacturing concerns, but department stores, wholesale houses, public service corporations—in fact, business enterprises of all kinds that employ large numbers of men and women who need homes. Stock in the company is to be subscribed in virtually unlimited quantities; and by the amount that is subscribed will be regulated the number of houses that are to be built. The number of homes to be made available to purchase by the employees of any subscriber will be regulated by the amount of that subscriber's subscription in stock. In actual figures, for every $1,200 in stock subscribed in the company by any employer, he will be entitled—for his

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employees—to one single house, and for every $1,800 one double house.

In the financing of his home-building undertaking, the individual usually encounters this obstacle: His bank will lend him not more than 50 per cent of the total cost; he must get a second financing; and it is the second mortgage that is hard to get and expensive to carry.

It is the purpose of the Cleveland Housing Company to clear away that obstacle to home-building by making the second financing unnecessary. Through the company's influence the banks of the city have been induced to raise their first-mortgage limit to 60 per cent. The housing company advances an additional 25 per cent; and that leaves but 15 per cent for the home-builder to raise.

Mindful of its situation and of its disadvantages in competition with built-up Cleveland, but mindful, also, of the advantages of its district in its abundance of low-priced sites for homes, the East End Manufacturers' Association went into the Cleveland Housing Company early. "And," said Secretary Patmore, "we went in strong." The total of subscriptions taken by members of the association is several hundred thousand dollars; and a number of the individual subscriptions are between $25,000 and $30,000 each.

First, a questionnaire was sent to all the employees of the members of the association. Every man was asked if he would like to own a home, and of what sort. He was asked how much of a first payment he could make and how much he would agree to pay on the principal every month. These last questions were asked because the housing company requires from the home-builder a minimum cash payment of 15 per cent and thereafter not

(Continued on page 38)

The Automatic Mark-Down

By RALPH P. ANDERSON

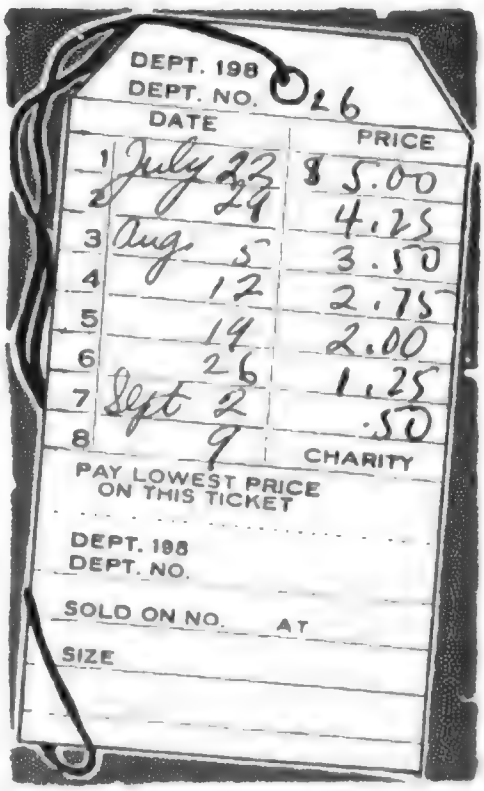
FOR MANY YEARS Weinstock, Lubin & Co., of Sacramento, Cal., were perplexed by the problem of what to do with the merchandise left over in the mail order department at the end of the catalog season. As carefully as the goods were bought—and the purchases always were based on statistics of past selling performances, rather than on guesswork—the end of every season found some of these goods left over.

The store's mail order division, it may be explained, is operated as a separate unit, almost as if it had no connection whatever with the company's department store division. It had its own plant, its own buyers, its own stocks; only in such matters as those relating to employment, wherein lack of co-operation would cause duplication of effort, was co-operation attempted.

"This problem was a hard one to solve," said Mrs. B. F. Woerner, the company's city advertising manager. "Some of the goods we placed with the store goods, but this method proved unsatisfactory, for the mail order goods differ from the 'store' goods, and the practice of mixing the two tended to cause confusion. Some of the goods we gave to charity; some we got rid of in other ways.

"Finally we decided on the plan we are now using—that of having an automatic mark-down section devoted exclusively to the goods left over in the mail order division. Thus we sell the goods without mixing it with the regular store stocks, we have an unusual section that the other stores do not have, and we have something that attracts people to the store, with the result that most of them patronize other sections of the store as well."

The company issues two catalogs a year, and the plan of the automatic mark-down is this: The goods left over in the mail order division at the end of a catalog season are placed in the automatic mark-down section and reduced at least 10 per cent in price. If they do not sell at that reduction, they are reduced 15 per cent each week until they reach the zero point, when they are given to charity. Once an article is consigned to the automatic mark-down section, it must stay there and pass successively through the stages of reduction until it is sold or until it has passed through the seven stages and is turned over to charity.



"The tags are plainly marked with the various reduction dates and with the prices"

The section is also governed by these rules: No mail or telephone orders accepted; no free deliveries or C. O. D.'s; no goods reserved; no transfers issued; no goods sold on credit; no goods may be returned except within three days of date of sale.

To make it easier for customers to recognize the status of the merchandise, and the salespeople to mark the reductions, the articles are designated by tags of different colors—a different color for each day of the week. For example, the presence of a gray tag on any article means that the article was placed in the mark-down section on a Tuesday and that it will be reduced in price every Tuesday until it disappears.

The tags are plainly marked with the various reduction dates and with the prices. The customer pays the lowest price on the tag. The upper part of the tag is left on the article when it is sold. The salesperson detaches the lower part, records the price, reduction number, department number and size of the article, and sends it to the office.

"The section has not been in operation long enough for us to be able to give any definite figures about the percentage of goods that reach the final reduction," said Mrs. Woerner, "but we believe that the percentage will be very low.

"The goods, when first placed in the section, are remarkable values. Then, as the price is reduced each week, an article becomes more and more of a value for the money, and it is almost certain to be 'snapped up' before it reaches the final reduction.

"At first we thought that the majority of customers of this section would be of a lower class, but we were mistaken. It appeals to every one, for the bargaining instinct seems to be universal."

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"Nothing great was ever achieved without enthusiasm"

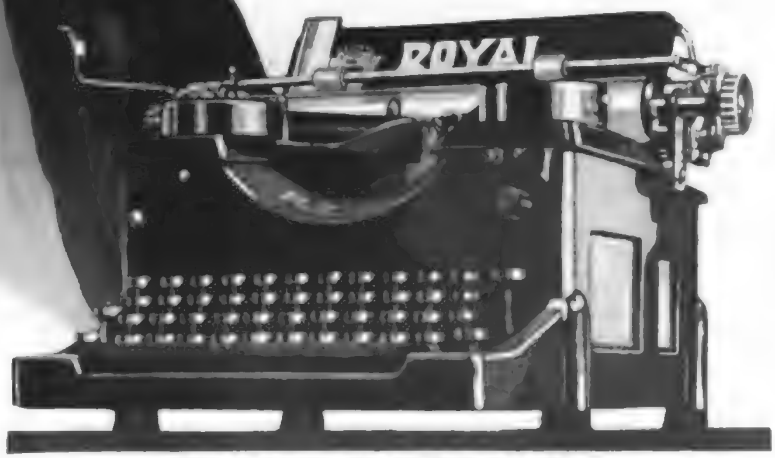
—*Emerson*

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And its full measure of usefulness to mankind is made possible only by the equally enthusiastic ambition of every member of a great organization to realize the inventor's ideal.

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"Compare the Work"

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NATIONAL BLANK BOOK COMPANY

25 Riverside HOLYOKE, MASS.

"Dyed With American Dyes"

(Continued from page 9)

when the war ended. Comparing the costs of ten selected dyes in the last half of 1918 and in the middle of June, 1920, I find that five of them are cheaper and five are dearer.

The United States is still technically at war with Germany — the only nation that is. The American manufacturer is still uncertain of his standing and so is still timid about undertaking far-reaching and involved enterprises. In 1916 he obtained what he considered at the time adequate protection for a permanent American dye industry by the passage of the Hill bill. This raised the duty on dyes and other coal-tar products to 30 per cent ad valorem and added a specific tax of 5 cents per pound. The specific duty was not applied to indigo and alizarine dyes or to medicinals and flavors. But Congress, having had experience with aiding infant industries that never grew up and became able to stand alone, determined in this case to see that the paternal protection did not extend beyond infancy, so it was provided in the act that the 5 cents a pound should be removed at the end of five years if the American industry was not able to provide for 60 per cent of the value of the domestic consumption.

In any case the specific duty was to be reduced by one cent a pound each year thereafter. So next year this special protection comes to an end or begins to be gradually withdrawn, and it will be hard to tell which, since we are officially at war. Even if peace should come before 1921, commerce would not yet have become normal so that it could be determined whether American dyes were capable of meeting the majority of the country's needs.

So a second appeal has been made to Congress by the dye interests and the Longworth bill was introduced a year ago last May. This proposed to raise the duties to about double what they were in the "war tariff" of 1916 and to make it permanent by eliminating the provision for reducing the rate after five years. The duty on intermediates was raised from 15 per cent ad valorem plus a specific duty of 2½ cents a pound, to 35 per cent plus 6 cents a pound; and the duty on finished dyes was to be raised from 30 per cent ad valorem plus a specific duty of 5 cents a pound, to 50 per cent plus 10 cents a pound. The Longworth bill as it passed the House of Representatives made the duties on intermediates 40 per cent plus 6 cents a pound, and on finished dyes and other coal-tar products 45 per cent plus 7 cents a pound. The Senate Finance Committee, after reducing the duties to their present

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rate and making other amendments, reported favorably on the bill but Congress adjourned before action was taken.

But it does not matter much at what figure the duties are finally fixed, for the Longworth bill in its pending form (H. R. 8078) virtually abandons the attempt to secure adequate protection by means of the tariff and proposes to shut out competition by direct embargo. It provides in Section 504 that for the next three years none of the dyes or intermediates shall be admitted, "unless the United States Tariff Commission shall determine that such article or a satisfactory substitute therefor is not obtainable in the United States or in any of its possessions on reasonable terms as to quality, price and delivery, and that such article is required for use by an actual consumer in the United State or in any of its possessions."

"Reasonable quality" is defined as "capable of giving results in use substantially equal to a corresponding article of foreign origin." "Reasonable price" is defined as "sufficient to insure the maintenance in the United States of the production of such article by an efficient plant operating on a substantial commercial scale." "Reasonable delivery" is defined as "sufficient to supply the need of the consumer for a period of six months." This means, essentially, that no foreign dyes can be sold in the United States cheaper than they can be manufactured here and that nobody can import foreign dyes unless he is going to use them himself and unless he cannot get an adequate supply of satisfactory quality or sufficient substitutes for the next six months.

THIS is, indeed, a startling proposal for the solution of the problem, yet it commands respect by its courageous facing of actual facts. It casts aside the customary camouflage of a revenue tariff and recognizes the fact that protection to an infant industry means prohibition of competition. So long as competing goods can come in quantity the aim of a protective tariff is frustrated, however high their price or however much the government may be making out of it.

In the present case no tariff could accomplish the desired purpose of shutting out for a time all foreign competition. The German mark that used to be worth twenty-four cents is now worth only two. It would require a tariff of 1,100 per cent merely to overcome the disparity in currency, and if the present duty of 45 per cent is to be added this would raise the total tariff to 1,640 per cent or, say, $3,926, to be paid for the importation of $240 worth of German dyes. England has not yet adopted a tariff, but she has



Here's Salt for the Tail of the ELUSIVE IDEA

SOMEWHERE, in some house organ, Chamber of Commerce Bulletin or business paper is the idea you have been looking for in your business. All worked out. Finished. Practical. With slight changes, perhaps, practical for you. A "humdinger" of an idea that will make thousands for you in one department alone.

Or save thousands somewhere else.

Or inject new "pep" into the organization.

Or even check *you* up on important policies.

YOU *need* that idea, perhaps more than you need your bank balance. Practical ideas *make* bank balances.

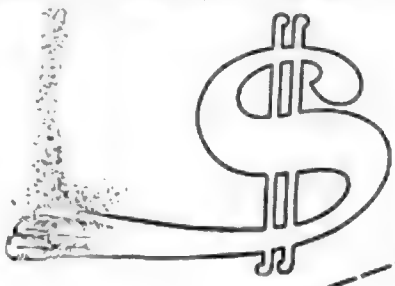
LET'S suppose you subscribe to three business papers. And read all of them. Cover to cover. You still have only *one chance in four hundred* of catching that idea you're looking for, since over twelve hundred business papers are published in this country.

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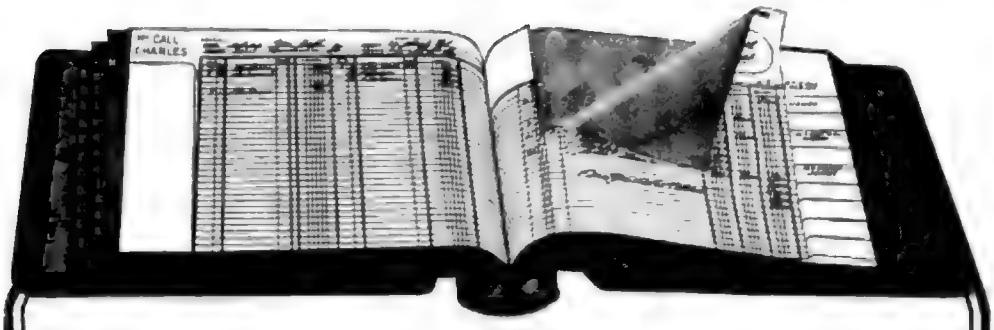
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Name _____
Print name to insure correct shipping

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Business Position _____



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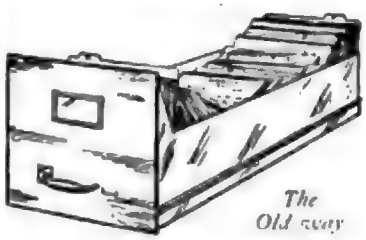
The Cesco Duplicate Statement System, illustrated above, is the ideal system for all retailers. Eliminates Day Book and Journal, saves rewriting of statements; provides monthly, semi-monthly or weekly statements as desired. Keeps the Ledger live and up to date—no dead accounts. Insures prompt collections.

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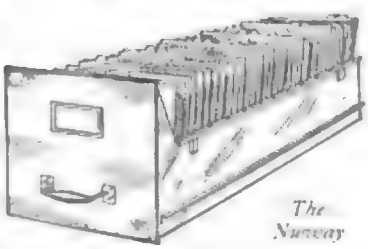
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The Old way



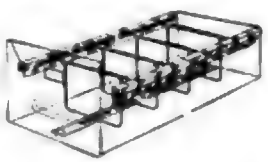
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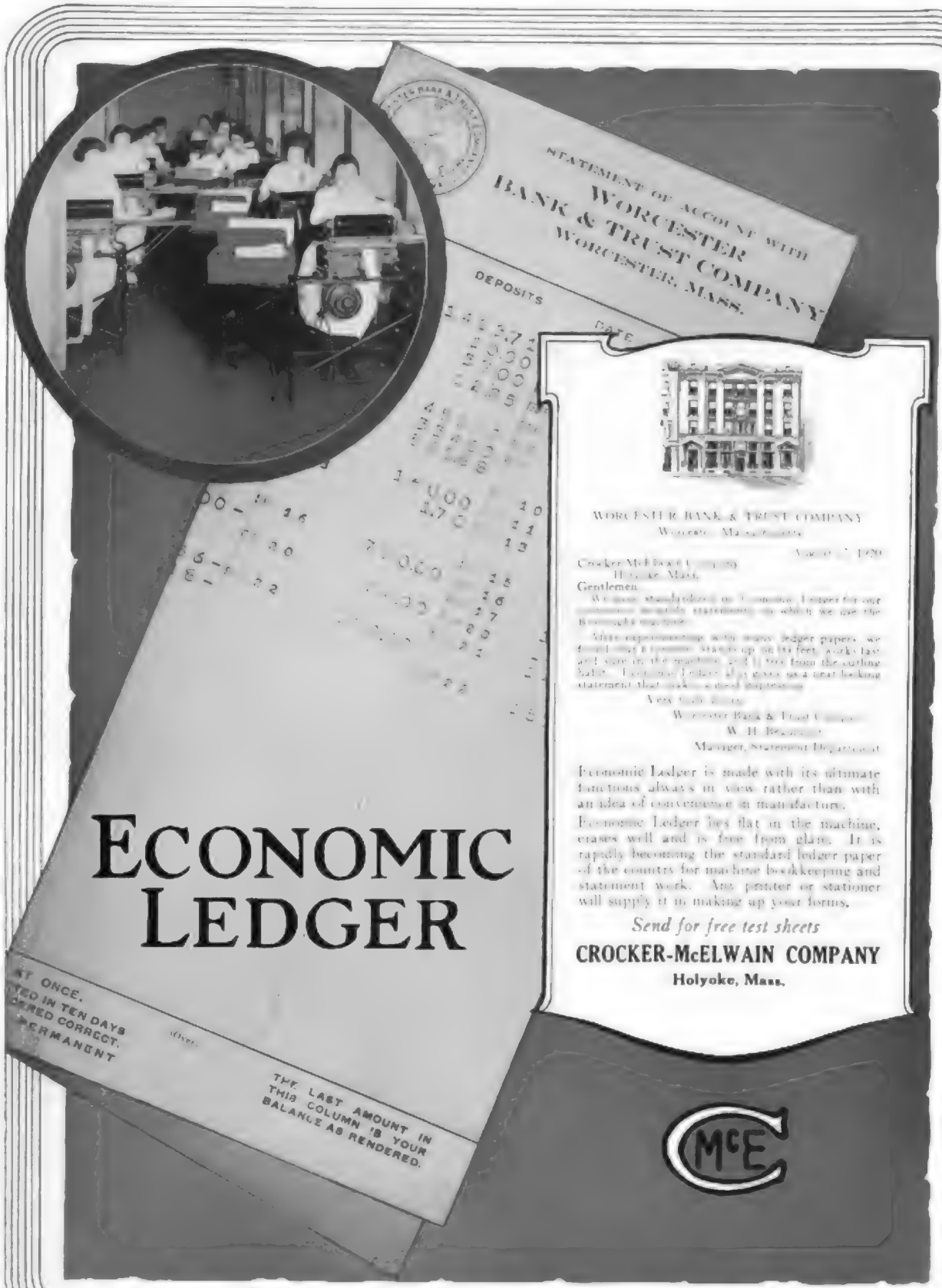
adopted the much more efficient method of protection for her newly-established and government-subsidized dye industry, by requiring licenses for importations during the next ten years. France has also adopted the embargo and license system.

A protective tariff, however well intended and cunningly contrived, is, as we have often found, liable to fail in its effect because of changed conditions or evasions. Where a tariff commission or licensing board has control of importations, its regulations can be altered to meet emergencies. It always holds the whip hand over the domestic manufacturer, and if he takes advantage of his sheltered position to charge too high prices or to turn out a poor product, he can at once be brought to terms by the threat of subjecting him to foreign competition. It has been objected that such a board might prove ignorant, incompetent or swayed by special interests. That can not be denied, but the same criticism has been made of the congressmen who construct the tariff laws. A permanent board with a staff of experts in constant supervision of foreign commerce and intimately acquainted with American manufacturers would certainly be better qualified to determine the degree and kind of protection needed at a particular time than a congressional finance committee in session some years before. The acts of the commission would be open to the public and subject to close criticism by those whose interests were involved, and if a mistake were made in its rulings this could be promptly rectified, and if the commission proved corrupt it could be removed.

THE embargo feature of the Longworth bill is attacked from four quarters: by all free traders, by some tariff men, by all importers and by some textile manufacturers. The free traders do not like protection of any sort. The tariff men look with suspicion upon any other kind of protection except their own. The importers foresee their occupation gone, not only by the reduction of imports, but by the requirement that dyes purchased abroad go directly to the consumer, who can import only what he needs for the next six months. Those textile men who oppose the bill raise various objections: that it will increase the cost of their dyes; that it will put them at the mercy of a few big dye manufacturers; that in getting permission to import, they will be compelled to disclose their operations and plans to their trade rivals; that they cannot forecast the changes of fashion six months in advance; and that governmental agencies are always clumsy, ignorant and dilatory.

How far these *a priori* objections are

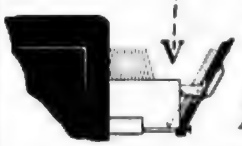
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"V" files file *tight*—but automatically expand when opened. The "V" space formed between the letters by the expansion, makes them easy to find, easy to withdraw, easy to insert.

That "V"—which distinguishes these files from all others—adds 20% to ordinary filing capacity, and a great deal more to filing ease and speed.

You *use* the **Auto-Desk Companion,** because of its ease and convenience. It collects, classifies and makes instantly available your ideas, plans and relative information which helps to build both you and your business.

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valid can be determined only by experience. So far the big fellows in the dye business have not crowded out the little fellows. There are three big concerns and nearly 200 independents, and most of them are making money. In any event, would a cotton mill fare any worse at the mercy of an American monopolist than a German cartel? The German dye manufacturers are now combined in one big trust with assets of $400,000,000. They borrow each others' patents as freely as a sewing circle borrows each others' patterns, and they present the same united front to the outside world.

The question is not whether Americans can make dyes cheaper than the Germans but whether American-made dyes can and will be sold for less than the Germans will charge us for them if they regain command of the trade. For instance, salvarsan, which Ehrlich called "606," and which since the war has been rechristened arsphenamine, was sold to us by the Germans before the war at $3.50 a treatment. Now that it is made in America it is sold for 75 cents a treatment.

On the other hand indigo sells for 75 cents a pound instead of 15 cents, which was the pre-war price of the German product, yet Mr. Dupont testified that he lost $300,000 in contracting to make it for 75 cents. If a man like Mr. Dupont misses his guess by $300,000 on a single well-known product it is obviously impossible to tell whether or not the American dye industry will be strong enough in three years not only to stand alone but to meet foreign competition from all comers on equal terms.

Our dye-makers already have not only met the most of our own necessities, but they have built up a considerable foreign trade. We are now exporting more in value than we imported before the war. In 1919 the United States exported over $17,000,000 worth of dyes and dyestuffs, $11,000,000 worth of which were aniline products. The countries buying the most from us were Japan, China, India and Canada.

Another indeterminable factor in the problem is what the Germans will be able to do. According to the British investigating commission the German plants have been so crippled by the loss of men and the inefficiency of the force that they cannot turn out anywhere near as much as they used to. Wages have increased and hours reduced, yet the amount of work accomplished per man hour is only half what it was before the war. The Germans now offer us dyes according to their old price lists, but reading dollars instead of marks.

During the war there was a great deal said in America and among the



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Allies about boycotting all German products in the future. But, as the French proverb says, "nothing is served as hot as it is cooked," and so we see that the Paris Peace Conference, so far from refusing German dyes, insisted upon having them. The treaty provided that the Reparation Commission to be composed of representatives of England, France, Italy and the United States, had the right to demand within two months after the conclusion of the treaty 50 per cent of all existing German dyes and medicinals, including those that had been stored in Holland and Switzerland; further, the commission had an option on 25 per cent of the future product of the German factories for the next five years. The value of the coal-tar products placed at the disposal of the Reparations Commission in accordance with the treaty was $20,000,000, but the United States, owing to the failure of the Senate to ratify the treaty, will not share in this.

But we got something out of the war much more valuable than any amount of German dyes; we got the patents for making them. The alien property custodian seized 4,500 American chemical patents owned by German interests. The custodian sold out the Bayer Company with 1,200 of the patents, including that for the ever-popular aspirin, to the Grasselli Chemical Company, of Cleveland, for $5,300,000. The rest of the patents were sold to the Chemical Foundation, which was organized for the purpose of holding and licensing the German patents, for $250,000. This price, of course, was merely nominal, for one of the patents alone — that for salvarsan — is worth $2,000,000.

In order to prevent monopolization the capital stock of the Chemical Foundation is limited to $500,000, of which no one concern can own more than $1,000. Its trustees and president serve without pay. The profits of the stockholders are limited to 6 per cent; all above that goes to promote chemical research. It will issue non-exclusive licenses to any American manufacturers that it deems qualified, but will exclude alien and hostile interests.

This seems likely to do more to keep the aniline industry in American hands than a tariff bill of any sort, but its range and term of protection is also limited, for patents expire at the end of seventeen years and most of the ordinary dyes have long ago lost their patent rights. It is only by continual advancement in scientific knowledge and by unrelaxing technical efficiency that the American dye industry can keep the start it has gained through the war.



ONE GIRL and a ROTOSPEED STENCIL DUPLICATOR will do the work of Fifty Typists

75 good, clean, sharp form letters a minute. That is what can be done in your own office by any stenographer or office boy.

Exact Form Letters— 20c Per Thousand

Better form letters than you ever thought possible—letters with the clean cut appearance of neatly typed originals that exactly duplicate the typewriter type, can be printed at the rate of 75 per minute on the Rotospeed.

No Type, Trouble or Muss

The Rotospeed stencil is prepared quickly and easily. No type to set. Typewrite your letters on a sheet of stencil paper. Attach the stencil paper to the Rotospeed and turn the handle. That's all. A child can do it. The Rotospeed has a semi-automatic feed—self adjusting impression roll, an unlimited head-spacing device and improved receiving tray—all these exclusive advantages—yet, it's the simplest duplicator in the world.

Ruled Forms Easily Printed

Ruled forms of all sizes from 3x5 inch cards to 8½x16 inch sheets are printed on the Rotospeed just as easily as form letters and at a cost of a few cents per thousand.

Illustrations and Signatures Quickly Reproduced

Sketches can be copied or traced on the stencil paper and the signature written so that a completely typewritten, illustrated and signed letter will be printed at one operation.

Only One Model— Price $43.50 Complete

This machine does everything that a stencil duplicator can do. There are no accessories or higher priced models. The price includes full equipment and sufficient supplies for printing twenty-four jobs. The saving on this much work will pay the entire cost of the Rotospeed.

Free Trial at Our Risk

We offer to place the Rotospeed in your office on trial. We do not employ salesmen. The machine must sell itself. Write for our proposition and the Rotospeed booklet. Let us show you how others in your line of business are increasing their profits and saving expense the Rotospeed way. Just sign and mail the coupon or jot it on your letterhead.

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Send me at once booklet, samples of work and details of the Rotospeed Free Trial Offer.

Name

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ADVERTISING SECTION



"This Multigraph makes imprinting a cinch instead of a nuisance. I can imprint 50, 600, or 5,000 labels, folders, or booklets in less time than the printer and at half the cost."

PRINT it on the

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"K. O."

Verily the little idea ofttimes maketh a big killing. A pebble from the water brook handed the K. O. to the mighty Goliath. Peradventure the simple hint set forth herein will rid *thee* of that troublesome giant, the Printing Problem.

O. K.!

That *simple hint* is this—Instead of storming and railing and *perhaps* using unseemly language at your old friend, Master Printer—(it's not his fault anyway. Paper, ink, wages, overhead continue at the same high levels; he *can't* reduce his charges)—instead of letting grief pile up on grief, instead of doing a lot of things that don't get you anywhere—

Why not profit by the experience of thousands of "hopeless cases" who have won back to printing happiness and health, simply by giving the O. K. to the modern "David" that hands the K. O. to the Printing Goliath.

B. W.!

When that next printing job comes along, when the advertising department begins to talk high cost per thousand, when they begin to "show you"—just raise your hand and say, gently, but firmly:

"Lay off on the *Before the War* stuff! This is 1920. We'll *PRINT it on the Multigraph.*"

E. Z.!

And before they can come back at you, continue serenely—"*Easiest* thing in the world! Any bright member of your department can run the Multigraph with a little practice. No big overhead. No mess or fuss. Takes up little floor space. Will *not* turn the place into a print shop."

N. B.!

And *take notice!* The Multigraph is *not* just a duplicating device. It is a *complete printing plant*, consisting of—

A small, rapid, *rotary printing press* that prints from *real* type and curved electrotypes, with real printers' ink—in colors and with illustrations, if desired. It *imprints*, too.

An *easily operated typesetter* that sets typewriter type and other faces.

A *multiple typewriter* that prints through a ribbon or direct from type.

$$$!!

Expense? Shucks! The Multigraph is an *investment*. The way it will *pay for itself* and *save and earn money* in every department will make your eyes pop!

Save and earn all along the line by cutting down your printing costs 25% to 75% on *every* job. By getting *all* your printed things out, on time, *every* time. By cutting out delays in factory, sales department and office.

By enabling you to get after *every* sales opportunity instantly. By getting you into close touch with your trade, and keeping contact between salesmen's calls. By doing the missionary work for your salesmen. By merchandising your advertising to your salesmen and your trade.

By making it easy to educate, enthuse, inspire your sales, factory and office organization.

R. S. V. P.—P. D. Q.!

This story can do little more than hint at how the Multigraph will fit into *your* business. The sooner you respond to that impulse to get complete information, the quicker you will get actual *facts* and *figures* applied to *your own case*. So we respectfully suggest that you respond P.D.Q.

You can't buy a Multigraph unless you need it

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio

Offices in Principal Cities

THE INTERNATIONAL MULTIGRAPH CO., (Britain) Limited, 15-16 Holborn Viaduct, *London, E. C. 1*
THE INTERNATIONAL MULTIGRAPH CO., *Paris, France*, 24 Boulevard des Capucines
THE MULTIGRAPH SALES CO., Ltd., 84-88 Bay St., Toronto, Canada, *Offices in Principal Canadian Cities*

MULTIGRAPH

THE MULTIGRAPH SENIOR This is a complete, compact equipment that turns out high quality printing and form typewriting at very low cost—averaging a saving of from 25% to 75%. It is simple and easy to operate; rapid and convenient. Electrically driven, with printing ink attachment, automatic paper feed, signature device, automatic platen release and wide printing service.

THE MULTIGRAPH JUNIOR This is a wonderfully efficient equipment for concerns which have a limited amount of work. It does both form typewriting and office printing and produces the same high quality of work as the Senior Equipment, but it is hand-operated only and cannot be equipped with electric power, automatic feed and signature device attachments, as can the Senior.

The Multigraph
1798 E. 40th St., Cleveland, Ohio

Here's where I respond to that R. S. V. P. Now it's up to you to come across with those facts and figures about the Multigraph and how it PRINTS.

Firm_____ Our Line is_____

Name_____ Official Position_____

Street Address_____

Town_____ State_____ Print Name

Rebuilt Multigraphs at Half-Price

Latest Models **Rebuilt-Like-New** **Guaranteed Two Years**



$520 Number Four (new) - $250 (rebuilt)

Includes the $500 current, No. 4 Model and $20 Stand. Complete type equipment (brand new), 2 segments, tools, supplies, ribbons.

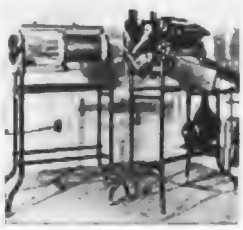
$865 Complete Unit (new) - $405 (rebuilt)

Includes the $520 No. 4 outfit, and in addition the Automatic Feed, Power Drive (right motor for your current) and Printing Attachment.



$975 Senior No. 36 (new) - $525 (rebuilt)

Includes the Multi. Senior Printer with the automatic platen release and a separate Compotype automatic typesetter—both on stands. Also the Power Drive, Automatic Feed and Printing Attachment.



Guarantee

Our Multigraphs guaranteed to produce finest quality work or money refunded. Guarantee to renew free any part that wears or breaks within 2 years (only exception natural wear on type).

REBUILT MULTIGRAPH EXCHANGE

LINCOLN BLDG., PHILADELPHIA

KEEP RIVALRY KEEN

among your workers by visualizing their records on this Moveable-bar Chart.



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Solid colors will not peel or scratch, 2 sizes

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EDUCATIONAL EXHIBITION COMPANY

520 Custom House Street PROVIDENCE, R. I.

Fenton Labels

Stick to everything
but themselves

—

Fenton Label Co., Inc.

506-512 Race St. Philadelphia, Pa.

Competitors, Excuse Our Dust

(Continued from page 13)

clever, but that must have been rather annoying to his rivals. Whenever he got in anything that was new to the town he would make a window display of the line, invariably backing up the display with a card that read something like this: "Always First With the New Things. Our Competitors will Probably Have Them Next Year."

One morning a well-dressed lady stopped in front of Henry's window, where he was displaying a new line with the usual sign. She seemed quite interested in the place and finally went inside. One of the salesmen went forward to wait on her and she inquired if they handled a certain kind of pottery. The salesman had to confess he had never heard of the line.

"Why I thought surely I would find it here," the lady replied pleasantly. "Do you suppose any of the other stores might have it?"

The salesman answered hastily that he was sure they would not. Then the lady asked the salesman if he was the buyer of the establishment.

"No ma'am, I am not the buyer," he answered, "Mr. Bennett himself attends to that. He is in his private office up there on the baclony."

The lady hesitated prettily. "I wonder if I might see him just a moment," she said.

The salesman replied that Mr. Bennett ordinarily did not wait on customers, but he would ask him to come down. A couple of minutes later Henry came, wondering what the well-dressed lady might want to say to him. She smiled in a well-bred way as she spoke.

"I am sorry to trouble you," she said, "but I just came in to inquire about some pieces of Bilbo pottery. Your salesman does not seem to be familiar with it and so I made bold to ask to see you personally. I am just from New York, where it is so very popular, and I am interested in it."

She paused for a moment to look 'round the store in a flattering way and the look had not altogether faded when she brought her eyes back to rest on Henry.

"I was sure that the proprietor of an establishment like this," she said "would know all about the new things."

Henry had never heard of Bilbo pottery, but he had not the heart to admit it to the well-dressed lady. He told her that he had not yet put in a line but expected to do so at once. He added that his store always led with the new things and his competitors trailed along after he had shown the way.

"It must be splendid to take the leadership," said the lady in parting

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"You think you will have the Bilbo pottery in about two weeks?"

Henry assured her that he would take immediate steps to put in the line. He went back to his upstairs office thinking what an up-to-date merchant he really was and how his competitors would sweat when he slapped a big display of Bilbo pottery into his show window labeled, "The Latest New York Craze. Competitors, Excuse our Dust."

Things came easier than Henry expected. That very afternoon a salesman came into the store and asked to see the buyer. His card was sent up to Henry; it bore the salesman's name and announced that he was the special representative of Bilbo Pottery, Inc. Fifteen minutes later Henry and the salesman were walking over to the St. Agnes Hotel, where the samples were on display.

The salesman was a skillful worker. He congratulated Henry on his up-to-date methods and said a store like his ought to be on Fifth Avenue instead of in a town of only fifty thousand population. Just as they were about to begin looking over the samples the salesman paused and looked out the window a few minutes as if trying to make a weighty decision. Then he turned to face Henry, speaking very seriously.

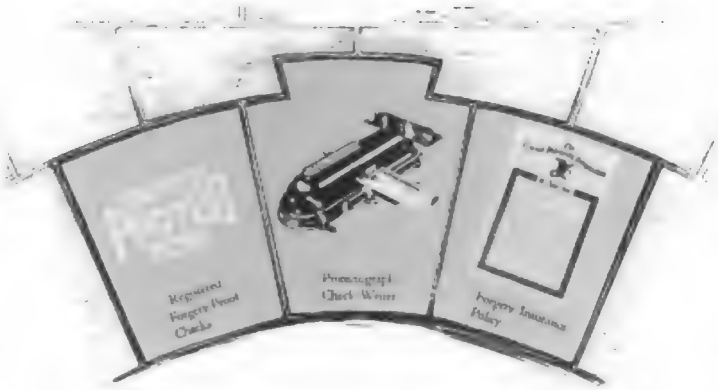
"I'll tell you what I've been thinking," he said. "Dealers everywhere are crazy about Bilbo pottery and ordinarily we sell it to everyone whose credit rating is all right. But in this town you stand so high above your competitors that I am tempted to let you have the exclusive agency for it. Why should I peddle it 'round among a lot of mossbacks when you can probably sell more of it in a day than anyone else could sell in a week?"

THE matter being put on such a flattering basis, Henry felt kindly toward the proposition and asked the salesman how much of a bill he would have to buy to get the exclusive agency.

"Oh I guess a couple of thousand dollars' worth," replied the salesman easily. "You can sell that much in the next three months. You have already had calls for it, haven't you?"

Henry admitted that he had had a call for it. He liked the talk, too, about his standing so high above his competitors and the statement that he ought to be in business on Fifth Avenue. He placed an order for a little more than two thousand dollars' worth of Bilbo pottery, terms 2 per cent ten days, sixty days net.

Ten days later the goods arrived and were displayed in Henry's window, but somehow they did not sell very fast. At the end of three months, when the



A Stop to Check Frauds

Not a single penny of loss has ever been reported by the thousands of prominent concerns insured under the Protectograph Anti-Forgery System.

This statement may readily be verified from the public records in the office of the New York State Insurance Commissioner, covering the forgery-insurance policies issued to every user of this system. This record, covering six years and billions of checks issued, demonstrates that for users of the Todd System, and their banks, the day of check frauds is ended.

Yet it is repeatedly published and generally accepted, that $30,000,000 is lost yearly through check frauds in the U. S.—all of it due to checks lacking protection of the

Protectograph
Anti-Forgery System

The System is simple—merely the combination of

Protectograph Check Writer, which writes and "shreds" the amount in Dollars and Cents (in words, not figures), exact to the penny, in two distinct colors, a complete word to each turn of the handle. This is the fastest known method of writing and protecting amounts. (Todd Two-Color Patents.)

PROTOD Forgery-proof Checks, Drafts, etc. each individual blank check registered, accounted for and safeguarded like a Government bank note. Chemicals in the fibre prevent alteration of names or endorsements. PROTOD is the final step in stopping forgery, because it cannot be purchased or "counterfeited" for fraudulent purposes.

EXACTLY FIFTY ONE DOLLARS SIX CENTS

Imprint of EXACTLY Model Protectograph Check Writer with Speed-up Dial. Amount words always in Red, Denominations Black.

As the proportion of Todd-protected checks increases, the risk on every unprotected check grows—fewer possibilities left for the forger to work on. If you are still outside the "safety zone," better send for data about the Anti-Forgery System and the clever little vest-pocket book "Scratcher Sends a Warning," written by a man spending his life in State Prison because unprotected checks offered such easy money.

Todd Protectograph Co.
(TRADE-MARK REGISTERED)

(ESTABLISHED 1899)

World's largest makers of check-protecting devices and forgery-proof checks

1179 University Avenue,
Rochester, N. Y.

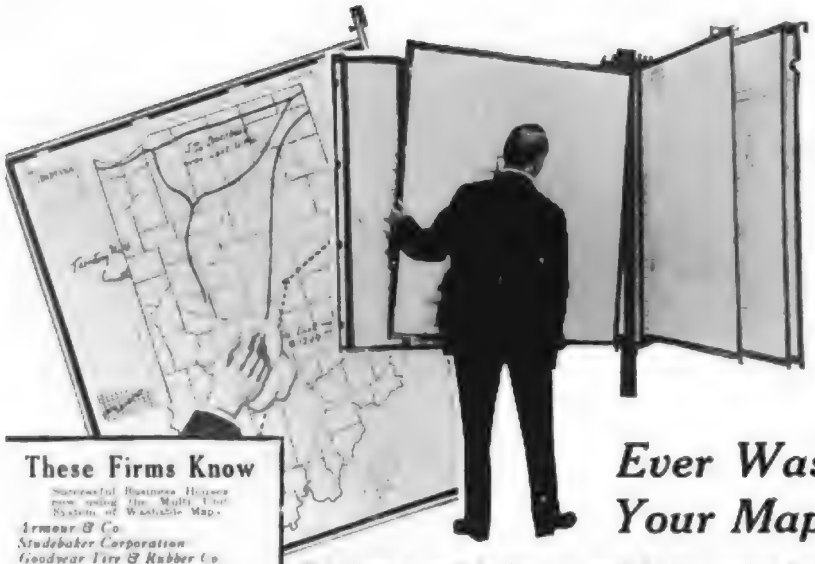
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TODD
Protectograph Company
1179 University Ave.
Rochester, N. Y.

FREE, please send "Scratcher Sends a Warning," and description of the Todd Anti-Forgery System.

Name _____
(Enclose your business card or letterhead)

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Pathe Exchange, Inc.
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(Incorporated, April, 1908)

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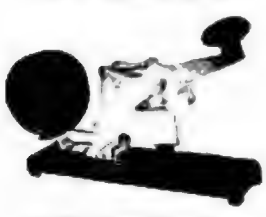
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"NO OFFICE COMPLETE WITHOUT AN EVEREADY"

salesman had predicted all would be sold, four-fifths of the invoice was still left. It was about that time Henry learned that Bilbo Pottery, Inc., had been a failure, and that the clever salesman was a speculator who had bought up the stock from the receiver.

Still later the fact was disclosed that the pleasant lady who had gone into Henry's store and inquired for Bilbo pottery was the wife of the salesman and his advance agent.

There came a time when I did not get a chance to talk with Henry very often. He would come in for his morning cigar as usual, but hurry out again looking thoughtful and preoccupied. I started to go into his store once or twice to have a visit with him, but each time the clerk said he was busy in his private office and so I didn't bother him.

I began to hear on the outside, however, that Henry wasn't doing very well. People said his store was too cold and formal; the clerks were polite and attentive enough, but somehow the place didn't seem homelike. On one of the occasions when I started to visit Henry I noticed old man George Hendrick talking earnestly with one of the clerks. It was something about a vacuum bottle which he had bought and which he claimed was unsatisfactory. The clerk was very courteous; he asked Mr. Hendrick to leave the bottle, saying he would take the matter up with Mr. Bennett and was sure it would be adjusted satisfactorily.

Old man George Hendrick is a temperamental character and rich. He likes to see people step lively; he says he made his own money by being on the job and it is his fad to try and make every one else act that way.

"There's no reason on earth why I should wait to have my complaint adjusted," he roared. "I want it adjusted now. Where's Henry Bennett?"

The clerk replied as soothingly as possible that Mr. Bennett was in his private office and very busy. He further explained that the establishment was run on a very efficient system and that in order to conserve effort Mr. Bennett attended to adjustments and similar matters between four and five every afternoon.

Old man George Hendrick listened to the clerk impatiently and then did an outrageous thing. He grabbed the vacuum bottle out of the clerk's hand, slammed it on the floor and stamped on it violently, bits of shattered glass squirting all over the place.

"Take that to his lordship," he shouted, pointing to the shapeless mess on the floor, "and ask him to adjust it. I can't wait until four o'clock this afternoon. I work on system, too!"

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And with that he stalked out the door.

When Henry heard of the incident he at once sent a new vacuum bottle to old man Hendrick with a polite note stating that he was sorry the original purchase had not been satisfactory. He added that he ran his establishment on strictly modern lines and that the customer came first always.

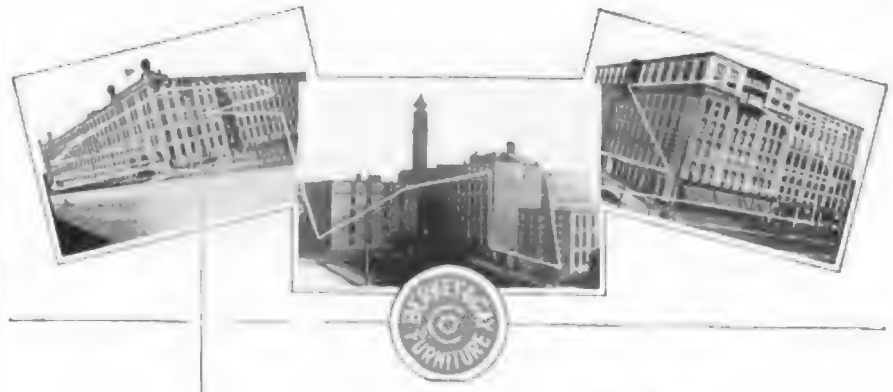
Then old man Hendrick did another outrageous thing that really showed the kind of character he was. He took a hammer and smashed the vacuum bottle that Henry had sent him into a thousand pieces. He gathered these pieces up and made a bundle of them, sending the bundle back to Henry's store by a servant, together with the money to pay for the bottle he had hammered to pieces. He also sent a note, which read:

"I am glad to know that you run your store on modern lines and that your customers always come first. From my experience I judged that your system came first and your customers about third or fourth."

A few months after that old man Hendrick financed the building of the Occidental Hotel on Market street. More than fifteen thousand dollars' worth of china and glassware were purchased for the new enterprise, but Henry did not even get a chance to put in a bid for the order.

IT was a little later that one of the buildings in the block where Henry and I had our stores was torn down to make room for the new moving picture theatre. The building operations were to take only sixty days, but there was a strike and other troubles and the work was strung out interminably. Business in our block was seriously affected, as people disliked to walk out in the street round the boarded-up section. Toward the last I was doing so little business that I decided to leave my business to the clerks and went away on a three weeks' fishing trip. When I got back the moving picture theatre was finished and business was going along again normally, but Henry Bennett's chinaware store was closed up. I was shocked and sorry; Henry had so many good qualities that it seemed a shame to see him go down to defeat on account of a few mistaken ideas. I hunted up the receiver and asked him what was the matter. The receiver was a shrewd man with long experience in winding up the affairs of bankrupt enterprises.

"As near as I can figure it out," he said, "Henry Bennett busted because he had not made any strong connections in the wholesale trade. He was owing more than a hundred different concerns small amounts and when the slump in business came they all wanted their money at once. If he had been owing the same amount of money to



Let Autocall Engineers Solve Your Problems

Although the Berkey & Gay Furniture Co., of Grand Rapids, Mich., needed an automatic signaling system in their three big plants, the plan seemed to present difficulties because the factories were separated, one being several blocks from the others.

They anticipated that it would be expensive to run wires to this distant building, but they put the proposition up to Autocall engineers who solved the problem by utilizing two telephone wires already installed.

Now Berkey & Gay are deriving immense benefit from their Autocall. Officials and minor executives have code numbers on this 60-call system, and when wanted, no matter where they may be in the offices or the three factories, they can be located without loss of time.

And, too, buyers visit the factory twice a year and then the Autocall is kept busy keeping track of salesmen, for it would not be good business for the salesmen to keep their customers waiting.

If you have hesitated to investigate the Autocall because your buildings are widely separated or because some other unusual condition exists, why not talk it over with us?

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Meilicke Says "A PROBLEM ONCE SOLVED CORRECTLY IS ALWAYS SOLVED"

Efficiency is Simplicity

Getting down to brass tacks, efficiency is merely doing any routine work the *SIMPLEST* way it can be done.

And – the reason progressive, money-making executives insist upon efficient methods, is that the *SIMPLEST* way of doing routine work is the most economical, easiest, quickest and most accurate.



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The Simplicity of Meilicke
GREATER EFFICIENCY DEVICES
makes them

MOST ECONOMICAL QUICKEST EASIEST MOST ACCURATE

These are but four of the reasons they are coming into general use by leading concerns. They are sound, money-saving reasons. Reasons why the



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Unit Calculator

—American Railway Express Company uses over 12,000 Meilicke Devices.

—The Western Union Telegraph Company has just purchased 500 special Pay Roll Calculators to fit their methods.

—The Western Electric Company uses Meilicke Calculators and can check over 350 Day Work Time Tickets per hour.

Meilicke Calculators are designed specifically for the work they do. Loose-leaf, linen lined cards, with visible index to rates, are so extremely simple to operate, the lowest paid clerk in your office can compute pay rolls. All answers are pre-calculated and ready-to-read instantly. A Meilicke Calculator is 100% efficient; there is no longer a need to continue using inaccurate, expensive, makeshift methods.

The Pay Roll Calculator is made on the Hourly Basis with answers in Quarter, Tenth or Twelfth Hour Periods; on both the 44 Hour and 48 Hour Weekly Basis. There are different styles of calculators for Piece Work computations by Units and Hundreds or Dozens and Gross. A special Calculator for Monthly pay roll work.

Write us the nature of your pay roll problems. We'll explain how the Meilicke will fit your methods and make them really efficient.

A *Free Trial* of the Calculator if you desire.

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(Eastern and Southern territory open for salesmen who can produce)

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three or four firms he could easily have made arrangements to tide over the dull time. When a man hasn't got the cash it is just as impossible to pay an account of a hundred dollars as one of two thousand. Henry was not buying enough of any one concern to make his business an object and so when the squeeze came he didn't have any strong wholesaler friend to help him out."

When I had heard this explanation of Henry's troubles I thought of how he had told me that he always bought the bargains from all lines and left the long profit stuff for someone else. He had bought bargains, perhaps, but no saving friendships.

One day Henry himself came into my store and told me his side of the story. He was going to take a job on the road selling goods, and felt sure he was going to put it all over his competitors. About his failure he was rather sarcastic.

"I was running a big-league store," he said, "in a bush-league town. There are too many mossbacks 'round here to appreciate a real merchant."

Still a third slant on the situation was given by one of Henry's old clerks whom I met on the street one afternoon.

"The trouble with Henry Bennett," said the ex-clerk, "was that he would rather be clever than successful. He was so darned anxious to impress people he forgot that the main business of a store is to sell goods."

"All Roads Lead to Rhodes"

ONE store that is making excellent use of road signs as an advertising medium, is Rhodes Brothers' department store in Tacoma. Rhodes Brothers have 400 of these signs, scattered as far north as the city limits of Seattle and dotting the countryside in all other directions.

The signs are neatly painted and kept that way the year around. What is still more important, the distances they show are correct; every figure on a Rhodes sign has been tested and proved by a speedometer on an automobile. The effort to make the figures accurate has been well worth while, for people frequently come in and say something like this, "Well, you checked that mileage up within a tenth of a mile, so that isn't bad."

The name of the store is especially well adapted to a play on words, and this fact has been fully capitalized in the slogan that appears on the signs, "All roads lead to Rhodes."

When the county supervisors ordered the removal of all advertising signs along the county road they made an exception in the case of Rhodes Brothers' signs because these signs imparted accurate and valuable information to travelers.

Why the Executive Must Understand Accounts

Control of the Executive's work is impossible without a practical understanding of accounting. The profit and loss statement is both the final test of his management and his guide in planning future action. Reserves and cost distribution plans affect his work directly. Analytical statements disclose information indispensable in laying plans. The auditor's reports and the periodic balance sheets enable him to see clearly the business as it is.

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Arthur H. Rosenkampff, B.C.S., Assistant Professor of Accounting at New York University and *Gould L. Harris, A.M.*, Lecturer on Cost Accounting, New York University, are authors of the Reading Guide.

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Their five-volume work is designed to give the business man the familiarity with accounting he must have and to afford the bookkeeper or accounting assistant the working mastery that will enable him to take full charge of the accounts of a concern.

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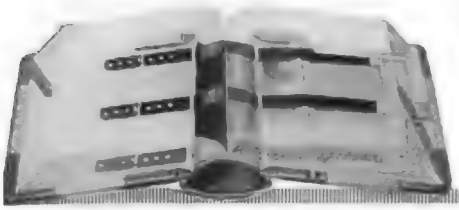


Transparent Leaf Body, showing Proudfit mechanism unlocked.

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PROUDFIT loose leaf binding saves paper, weight and filing space. Provides more writing space; a flat writing surface, irrespective of number of sheets inserted, and instant sheet removal or insertion. Holds sheets along entire binding edge; protects sheets from tearing; uses less than one-half inch of sheet for binding margin. Has no rings, no posts and no projections to scratch desk tops. Holds 1 to 1000 sheets without adjustment. Is adaptable to all loose leaf uses. Proudfit Loose Leaf Binders look like and have all the permanence of fine bound books. Proudfit binding mechanism consists of flexible steel bands, affixed to any style of limp or rigid cover and entirely concealed beneath these covers. This entire binding mechanism may be removed in 10 seconds. It may be locked and sealed to make permanent bound books for county records, etc.

Transparent Leaf Body, showing Proudfit mechanism locked and ready for use.



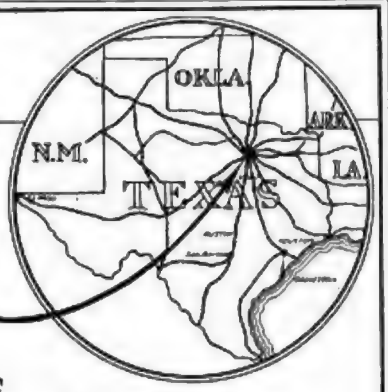
See Donnelley's Red Book for name and address of nearest Proudfit factory branch.

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Proudfit Loose Leaf Binders are sold direct or through factory branches in all large cities—they are supplied in a wide variety of sizes in four standard lines, as well as made to specifications.

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The FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS.

What "Soluble" Coffee Is

MANY advertisers, says a writer in *Printers' Ink*, complain that their products are exceedingly difficult to explain in advertising. Copy becomes complex and involved when a serious attempt is made to clear up certain doubts in the minds of people, or lay the facts before them understandingly.

One of such products, as may well be realized, is what is known as "soluble" coffee.

Soluble is not exactly a soluble word for common, everyday, household use. People who should know what it means — don't. Explanations by the grocer are often highly amusing. And in written explanations, it really becomes technical.

There has recently appeared, in Seattle newspapers, a display advertisement for Barrington Hall soluble coffee, five columns in width and very nearly a page deep, that comes nearer "explaining" lucidly, for the masses, than any advertising of this nature the writer has observed for years.

It was headed: "Questions people ask about Soluble Coffee."

And the text was put in the interesting form of question and answer, which made it all the more attractive to the eye. The reader was putting the queries, as it were.

Question: What does "soluble" mean?

Answer: The word soluble describes anything that will dissolve. Soluble Barrington Hall therefore means coffee that completely dissolves when water is added. There are no grounds.

Question: Is soluble Barrington Hall pure coffee?

Answer: Yes, absolutely pure coffee of highest quality.

Question: Does it taste like coffee made in a coffee pot?

Answer: Yes, but the flavor is smoother and richer because the coffee is scientifically percolated by a cold-water, vacuum process which eliminates the bitter wooden taste of the coffee bean.

Question: Will it dissolve in cold water?

Answer: Yes, as readily as in hot water. It is ideal for preparing ice coffee.

Question: Can I make it in a percolator?

Answer: No percolator is necessary. The percolating is done in great, white-tiled kitchens at the factory. The drinkable part of the coffee is reduced to a soluble powder and the grounds thrown away.

This text has been prepared, after a careful analysis of the questions people actually ask about the product. If these same facts were strung out, in the conventional descriptive way, they would be far less readable.

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"It Behaves in the Machines"

First I tried the high-priced ledger papers for *all* purposes; too costly. Then I adopted the cheapest ledger paper I could get for our machine bookkeeping and customers' monthly statements and similar work; these "scrub" papers curled and buckled, spoiled the work, raised Ned with the morale of the clerks and threw us back in our work. Thought I, we will find a *moderate-priced* ledger that "*behaves in our machines*" and stick to it like a brother. We have found it.

BUYERS LEDGER

STRONG, PRINTABLE, RULABLE, ERASABLE, MANAGEABLE

"Buyers" is the mark of the paper *maker*, not the jobber, converter or stationer. Its makers brought their ledger up to a known standard and watermarked that standard "Buyers." The mill adheres to the Buyers standard and is responsible for its maintenance.

Any printer or stationer can supply Buyers Ledger in your work; it is distributed nationally.

FREE TRIAL SHEETS—If you wish to experiment in your own office, without obligation whatsoever, send for 25 Trial Sheets of Buyers Ledger cut to 12 x 12 inches (standard package; if other size is desired, please specify). *You* decide whether Buyers Ledger is worth "sticking to like a brother."

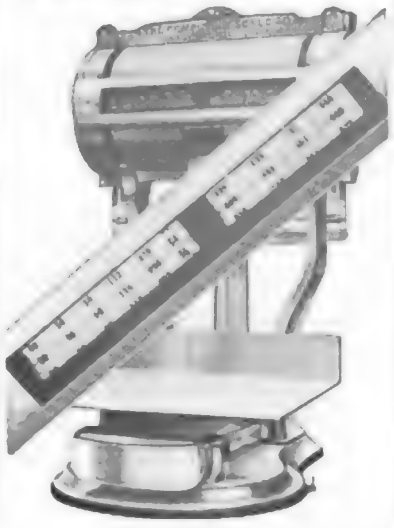
Chemical Paper Manufacturing Co.

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Automatically weighing and computing to the full capacity of the scale.

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Sales Distribution

U.S. Tax Laws

—Executives Must Know Procedure

By reorganizing a business into a corporation and a partnership one of our clients reduced his taxes from $25,000 to $9,000—a saving of $16,000. This is legal, right and proper. By readjustment of capital records another client saved $10,000. Millions of dollars were lost last year by tax payers through *ignorance of allowable deductions and exemptions they were entitled to.*

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$5,000 Often Saved

We teach you how the various taxes *work together*—how to compute ALL the legal deductions. Executives taking our training frequently report savings of $5,000 to $100,000. Used in Standard Oil Co., Ford Motor, U. S. Rubber Co., U. S. Tire Co., etc.

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Without obligation please send me full particulars regarding your Tax Procedure Training Service

Name

Address

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The Postmaster as Delivery Boy

(Continued from page 11)

residence sections. By 7:30 a. m. the carriers, working from these stations, aided by automobiles bearing the heavier packages, start deliveries.

Mr. Raths himself, not long after the inauguration of the plan, was compelled to get out of bed to receive a package he had bought downtown the evening before. And he's not a late riser, either. The clock that time said 7:10.

By 9:30 a. m. practically the entire sales of the previous afternoon have been delivered. Under the old system the wagons never started from the downtown district before 9:30, and it was late in the afternoon before the deliveries could be completed. The postoffice makes another delivery in the afternoon, but the bulk of the day's sales is represented in the morning deliveries.

Few people go shopping in the morning. That was another thing the postmaster counted on in developing his system, else it might never have attained its present efficiency.

Some interesting facts have been revealed by this innovation in postoffice work. The weight of the average parcel delivered is two pounds. About 50 per cent weigh from one to two pounds. And practically all articles, coming under the limit of seventy pounds in weight and eighty-four inches in girth, are included. There are wash boilers and garbage cans. There are rugs and there are drugs. In fact, all kinds of packages may be found in the daily grist of the department stores.

Then, too, there is this interesting conclusion from the viewpoint of economy. Twenty-five per cent of the packages weigh less than a pound, and these are delivered by letter carriers.

Fifty per cent weigh less than eight pounds, and foot carriers deliver them. Adoption of the foot carrier method, another new step in parcel post delivery, not only reduces the cost but increases the speed of delivery. A foot carrier in congested districts can deliver packages more rapidly than a man working from an automobile, and more cheaply.

The remaining 25 per cent of the packages, those weighing more than eight pounds, are delivered from automobiles.

Fully seven thousand packages a day are handled with ease, and twice as many may be handled as easily. Postmaster Raths just now is getting ready for the Christmas rush, when several hundred thousand packages will pass through the St. Paul postoffice daily. And even that doesn't scare him.

What makes this achievement possible? Nothing but co-operation. Each store has been made a substation. Employees of the stores wrap the packages

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and mark them for mailing. The packages are stored into sacks corresponding to districts of the city. Then the mail wagons come and get them, and the postoffice does the rest.

Even the stamps, pre-canceled, have been put on the packages at the stores.

"We wouldn't think of going back to the old system," said William Mannheimer, of Mannheimer Brothers.

"We have one complaint now where we had ten before. But the whole thing depends upon co-operation. It depends upon the kind of postmaster you have. Raths gave us service."

Just to show the improvement, Mr. Mannheimer led the way to the shipping room of the store.

It was 5:30 p. m., and a big sale, an annual event at the store, was on. In fact, it was the second day of the sale.

Packages stamped and ready to be mailed lay stacked in orderly piles, and girls were tying up the last half dozen parcels to come down from the store above.

"By six o'clock the shipping room will be clear and we will be out of here," said the superintendent of the shipping room. "Under the old plan we wouldn't get through work until ten or eleven o'clock at night."

"Have you any complaints today?" the superintendent was asked.

"One," was the reply. "Here is a package where the corner of the label was torn off, wiping away one of the numbers on the address. But under the old system this telephone would ring continually all day. Fifty complaints a day there would be, sometimes more."

"We had a drug sale a few days ago," Mr. Mannheimer went on. "The drugs were delivered without breakage, and more speedily than we could have done it under our own delivery system.

"The plan is a real innovation. Scores of merchants in other cities, hearing of the plan, have written to ask for details, and I am sure it will be adopted generally in other cities when the people see the advantage of it."

The government plan of making the store deliveries has eliminated the necessity for insurance, usually carried to cover losses during deliveries. A government employee in uniform and under bond is the best kind of insurance, and the people as well as the stores are coming to realize it. In St. Paul, at least, people would rather have the postman bring home their parcels than the delivery boy. He's quicker and he's safer.

So Postmaster Raths seems to have a permanent job as delivery boy in St. Paul. What's more, he's about to get all the other postmasters into the same kind of a job.

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40 WARREN ST. NEW YORK
Makers of Lighting Devices Since 1864



EMERALITE

Farms, Factories and Firesides

(Continued from page 18)

less than 1 per cent a month on the total of the principal.

The statement has been published, nationally, in a description of the Cleveland Housing Company's plan of operation, that employees to whom homes are made available are picked by their employers on some sort of competitive-production basis. Such a standard of nominating candidates may be used elsewhere in the city, Secretary Patmore says, but not by the East End association.

"Production in the factory is neither an equitable nor a practical standard for such a purpose," Patmore said. "A man may be a 'wiz' at his machine and turn out more work and earn more money than any other man in his department. But if he's a spendthrift, he doesn't deserve to own a home as much as does the fellow that earns less money, but spends it wisely and keeps his bills paid; nor is the spendthrift as good a 'risk' from the practical standpoint."

With the replies to the housing questionnaire as a guide, each factory management in the association nominated those men whom it thought most deserving of homes and best qualified to meet the financial requirements. The recommendation, in the case of each man, was based on several considerations, such as his rate of wages, his general character and his credit reputation.

But there the factory's participation in the matter ended. Thenceforth the employe that undertook to build a house would deal directly with the housing company. So far as he knew, his boss was out of the deal. But —

It was foreseen that difficulties might arise for the home-building employe: that illness in his family or some other contingency might embarass his undertaking. Against such a contingency thought has been taken and provision has been made by the manufacturers' association.

"We haven't had to take such action thus far," Patmore said, "but if it should come about that an employe through no fault of his own, should get into financial difficulties the association would see him through. For our object, you see, is to get that home built and paid for."

The Cleveland Housing Company is still a new enterprise. Thus far it has had time to do little more than complete its organization, issue some of its stock and begin construction work on a few houses, scattered throughout the city. But ten of those houses are going up in the district of the East End Manufacturers' Association. More houses for the district are in the blue print stage and still more are in

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The term accountant should properly be applied only to a professional consultant or technical executive — never to a bookkeeper or clerk



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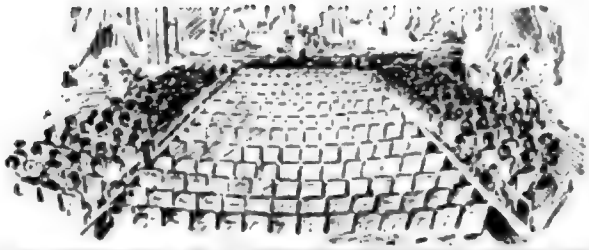
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Education?..... Any practical experience?.....

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Where do you sit in a theatre?

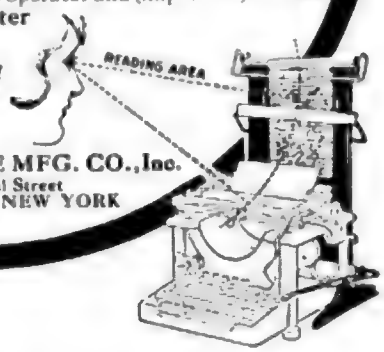
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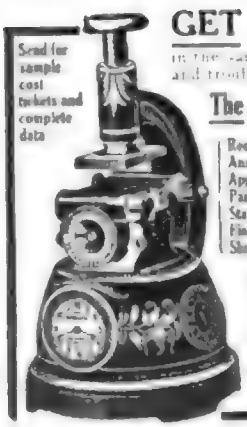


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Cuts waste of time. Shows bottlenecks. Any job takes your workers. Time-clocks exactly and every job. Gives very important and valuable information on operating costs.

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One of my New York clients got 110 orders at $89 each, entirely by mail, and from trade not covered by salesmen. The cost per order was less than $6. Used only one letter. Write me if you are interested in developing more business, at surprisingly low cost.

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RAND McNALLY COMPANY
Dept. A-1 *B. G. Boyle, Editor* Chicago, Ill.

contemplation. Next year and the year following and so on indefinitely, more and more houses will be built—for the plan of the housing company, with respect to each individual subscriber for whose employees houses are erected, is repeated annually.

Under the head of "Purpose," the constitution of the East End Manufacturers' Association reads: "The objects of this association shall be to promote at all times the interests of its members and their employees as a whole, it being obvious that the collective effort of all employees, with the aid of their employers, will naturally gain results and confidence for all, that cannot be obtained by individual effort."

That word "confidence" is underlined in the minds of the officers and members of the association. If anything may be taken as a creed of the organization, it is that one word, confidence—the confidence of the members in each other, and, above all, the confidence of the employees in their employers.

"We're out here on the edge of the city, almost on the farm, in fact," Secretary Patmore said. "Our situation parallels that of many another group of employers on the edge of a big city, or in a small town near a big city. Really, we here are in a worse position than if we were in a separate, smaller town, removed by several miles from the big industrial center; for our competition is closer and keener.

"We're trying to keep our men, keep them working for us and living in our district. To accomplish this we are offering them something. But we've got to deal with them openly and honestly, and so get their confidence. We're almost in the situation of the farmers that are trying to induce the boys to come back to the farms; and we feel that we've found at least one of the reasons why the farmers haven't succeeded very well.

"If you're trying to coax the boy back to the farm and are holding out to him, as an inducement, a nice, red apple, you mustn't hide your other hand behind your back. He's likely to think that it holds a pitchfork."

Slow-Selling Merchandise

According to the manager of a chain of dry goods stores, slow-selling merchandise is the result of:

1. Lack of salesmanship.
2. Lack of display.
3. Intrinsic faults in the goods.
4. Wrong price.

So if you have some "old timers" around the store, get them out and look them over with the foregoing reasons in mind.

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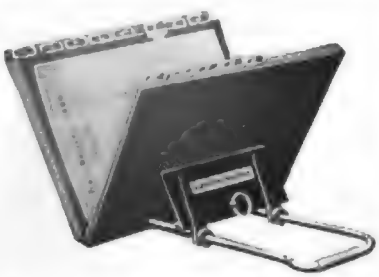
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A Traffic Problem

By JOHN J. JENNINGS

A NEW YORK merchant sends me the following problem which is of more than ordinary interest—liable, as it is, to arise at any time.

"X, a customer of mine, residing at Y in this state, frequently orders goods from me by express or freight, and about three weeks ago I sent him an order by the Z Railway," the correspondent says. "Now, at the time X ordered the goods, he was hopelessly insolvent, although I was absolutely ignorant of the fact, but finding it out before the goods reached Y, I ordered the Z Railway to stop the goods 'in transit' and return them to me, which I had a perfect right to do.

"Through the carelessness of the railway, however, the goods were delivered to X, notwithstanding the 'stoppage in transit' order, and if I have to look to X, I will get about ten cents on the dollar, possibly somewhat less. I therefore threatened to sue the Z Railway for damages for handing over the goods after they were stopped in transit, and the railway sets up the defense that by the bill of lading the liability of the railway was limited to, I think, twenty-five dollars, and the railway has tendered that amount to me, refusing to pay any more.

"Now, I would like to come out square if possible, and therefore, I would be very much obliged if you would let me know just what chance I would stand if I sued the railway, and whether the bill of lading will justify the railway in refusing to pay more than the trifling amount which they have offered."

As I said at the beginning, my correspondent has stumbled upon a mighty interesting legal point—one that has been fully dealt with by the New York Court of Appeals in the case of Rosenthal vs. Weir, the facts of which were practically "on all fours," as the lawyers say, with the case of our New York correspondent.

In the Rosenthal case it appeared from the evidence that Rosenthal had sold a shipment of goods to a firm in Texas, and delivered the goods to an express company to be delivered to the Texas buyer, receiving a bill of lading from the express company, stating that it should not be liable for loss or damage "from any cause whatever unless in every case the same be proved to have occurred from the fraud or gross negligence of said express company or their agents beyond the sum of fifty dollars, at which the above property forwarded is hereby valued, unless otherwise herein expressed, or unless specially insured, and so specified in this receipt." There was no insurance for special value, and upon the bill of lading were stamped the words, "value



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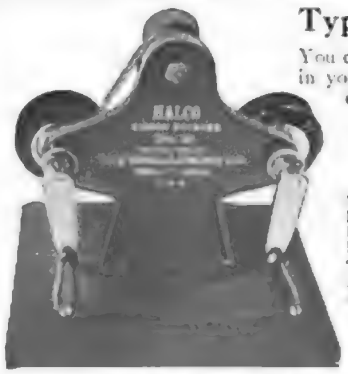
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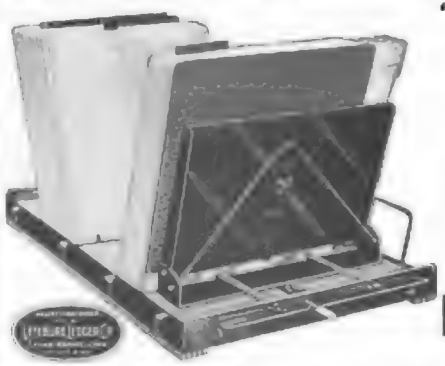
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asked and not given." After the goods were shipped Rosenthal learned that the Texas firm was insolvent, went to the office of the express company and demanded that it stop the goods in transit. The express company agreed to do this, and sent a telegram to Texas to that effect, notwithstanding which the goods were delivered to the Texas firm. Rosenthal then brought suit against the express company for the value of the goods on account of the failure and neglect of the express company to obey Rosenthal's order to stop the goods in transit.

At the trial the express company admitted that the goods were lost on account of its own negligence, and offered to pay the sum of fifty dollars as damages, claiming that by the terms of the bill of lading quoted above the express company could not be held liable for any greater amount.

The New York court decided in favor of Rosenthal and gave him a verdict for the full value of the goods, on the ground that the bill of lading limiting the liability of the express company did not apply to this case where the goods were lost on account of the failure of the express company to obey the shipper's orders to stop the goods in transit after it had agreed to do so. The following quotations from the judgment of the court may appear somewhat lengthy, but will, nevertheless, repay a careful perusal.

"Rosenthal had the right," said the court, "to stop the goods in transit, by giving notice of his claim to the carrier, in whose possession the goods were, actually or constructively. The express company does not dispute the rule with respect to the right of stoppage in transit, but contends that the limitation in the bill of lading defining the liability of the carrier by the agreed value of the goods controls, in all events. The action, therefore, is actually founded on the wrongful act of the express company, and not on its contract of carriage. The express exercise of the right of stoppage in transit by Rosenthal put an end to the contract of carriage, and revested the possession of the property in him. He is to be regarded as having taken the goods. The relation of the parties changed. The express company, from the time it was notified, and directed its agent not to deliver the goods to the buyers, in legal contemplation, held Rosenthal's property as his bailee. When, through the disobedience or neglect of its agent or servant, the goods were delivered to the buyers, the express company became liable for their then value to Rosenthal, not upon contract, but in tort."

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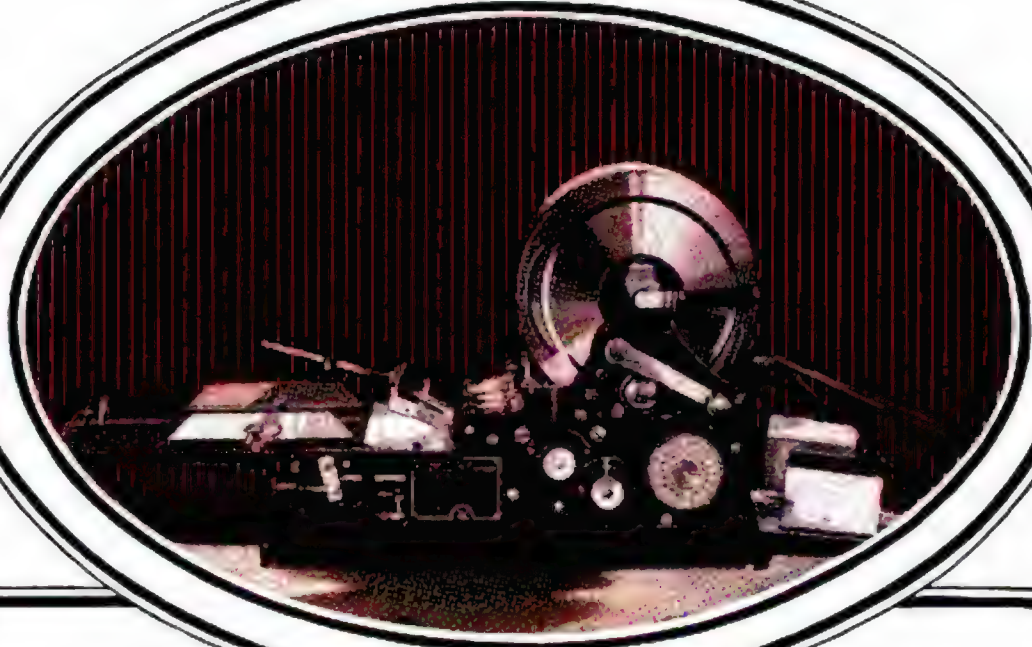
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BUSINESS

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Detroit, Michigan

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For Executive, Department or Home Use

BUSINESS

DECEMBER, 1920

Volume Two Number Three

LUCIEN KELLOGG
Editor

S. D. R. SMITH
Business Manager

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50,000 Busy Executives use the Dictograph System of Interior Telephones

Making Dictograph *Spell Production*

The General Electric Company, under date of August 11, 1920, say that "Without the Dictograph, our work would be harder, more expensive, and our capacity to perform would be reduced."

NO business can reach the maximum in production, whose system of intercommunication is not 100%. The time lost by use of the old-fashioned messenger system or ordinary telephone mounts up production costs for every executive and employee in the organization.

The manufacturers who are making Dictograph spell production have installed the *Dictograph System of Interior Telephones* the quickest and most efficient means of——intercommunication ever devised.

There's no operator, no busy wire. The Man Higher-Up sits at his desk, and yet is "all over his plant," keeping every man at his best, through the Dictograph.

He gets one or half a dozen men at once—holds conferences, gives orders, gets information—all without calling a single man from his department.

> And not only does the Dictograph keep the Executive in touch with his men, but it gives every department instant, automatic communication with every other department.

The Dictograph System is installed under a most liberal three-year service and maintenance guarantee. Its first cost is practically its only cost.

It is well worth five minutes of your time to see the Dictograph demonstrated on your own desk. It puts you under no obligation.

For the busy executive, we have prepared a 10-minute Essay on Executive Efficiency. A Signed Copy with my compliments is awaiting you; simply send in the coupon on your letterhead.

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President

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You may give us a 5-minute Demonstration with the understanding that it places the undersigned under no obligations.

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You may mail "An Essay on Executive Efficiency"

Name.....
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B & B

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TRADE MARK



"The House of Quality"

"Nice of Eaton's, wasn't it? They're so appreciative"

Down deep within us, where we really live, we are all a good deal alike; hungering constantly for appreciation; and responding to it with a warm and genial glow of gratitude.

To foster this valuable spirit of friendliness with pleasant acts of thoughtfulness is the cheerful task of Remembrance Advertising. By act, not argument, it expresses sincere appreciation of the business of the past. More than that it looks forward confidently to yet more pleasant business relations in the future. Intelligently and permanently it builds the good will which makes tomorrow's business a certainty.

During twenty-four years Brown & Bigelow have helped make business more friendly—and more profitable. They have expressed the spirit of "Thank You" in Art Calendars of rare harmony and beauty, in Holiday Greetings, in welcome desk and pocket articles of rich Mission Leather. They furnish these tokens of appreciation to sixty-five thousand warm-hearted clients whose customers thoroughly enjoy trading with them because "They're so appreciative."

"Remembrance Advertising," a helpful booklet relating actual incidents of the power of friendliness in business, sent free upon request.

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Partners in the Business

By ARTHUR H. LITTLE



PHOTO BY BROWN BROTHERS, NEW YORK CITY

"The employee of an industrial concern who acquires a block of stock in the company becomes something more than an employee"

THE IDEA, of course, is virtually as old as industry itself—this idea of giving the man who does the work a share in running the works. In the beginning, and after it had developed past the one-man stage, industry was a pure partnership. Manufacturing, which had its beginnings when the fashioning and fabrication of commodities became the occupation of numbers of individuals, often was a family affair, or an enterprise in which a group of families engaged. Within the group, all the individuals—except the men when they were too busy with their hunting and making war and raiding—contributed their labor to the common enterprise and all shared equally in the management.

Then arose the organizer, the executive, the chap with something that his brother workers lacked. Probably he had started as an artisan himself, making things with his own hands. He was engaged, say, in the hardware line, making nose-rings with which ultimate consumers would adorn themselves, and war-clubs with which they would swat their enemies.

But he had imagination, vision. His intelligence told him that others could do the labor his hands were doing; there was work for his brain to do. And so he hired others to do the labor. For their effort he paid them in wages—day work wages at first, very likely, and eventually piece work pay at so much per nose-ring and so much per club-matter. And then, with his factory operating busily on that high plane of efficiency he turned his attention to large affairs, to managerial matters, to the attainment of new markets and to the development of new models. Thus came management.

The business of that primitive manufacturer grew. His vision told him it could be expanded still more. But he was cramped for cash. He approached a friend and negotiated a loan. But the friend had vision, too. In exchange for the loan the friend took a block of stock in the nose-ring business. Thus came capital.

Now, theoretically, the primitive partnership of individuals with which industry began and of which it consisted before capital came in has evolved, in the vast growth and development of business, into a partnership of the three elements—labor, management and capital. But as the growth and development have gone on, this partnership has become less and less actual and more and more theoretical. Management and capital have remained in fairly close alliance. But labor, the senior member of the firm—well, there has been evidence that labor's heart is no longer in the business. And management, the organizer of the original triumvirate, is now trying to get labor's heart back into the partnership.

Management is acting upon the belief that when you reach the heart of labor you have reached the heart of the industrial problem. Welfare work, employees' service bureaus, bonuses, "installations" of "industrial democracy"—all these activities that management has assumed in its relations with labor are but manifestations of the effort on the part of management to reach the heart of labor. "Get them interested"—that is the attitude of the man at the manager's desk toward the men in the shop.

Human relations, of course, never can be reduced to an exact science. But so deeply has this thing of industrial relations been studied that certain definite programs of action have been formulated, each program with its proponents and opponents; and for convenience in discussing them employers and practitioners of this new profession of industrial relations work have labeled these programs "plans." And so we come to the profit-sharing plan.

Loosely considered as a remuneration supplementary to a regular wage, profit-sharing has been in existence for more than a century. Of the early applications of the plan, that of one Le Claire, a house-painter of Paris, is noteworthy. Le Claire began dividing profits among his employees in 1842. He is referred to generally as the founder of the plan.

In the light of modern-day design in industrial-relations machinery, that profit-sharing plan of Le Claire's was a crude device. But it was the best to be had at the time. Other employers adopted it—rather slowly and with varying degrees of success—and these later applications brought about modifications in the original pla-

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Brown, is the connoisseur of the plant. He brews the recipes and supervises the candy making. Haley sells it.

This is the way Haley figured it:

The strength and pulling power of this form of advertising lies in suggestion.

Its atmosphere suggests cleanliness, health and happiness, qualities that appeal above anything else to the average American. Candy made in such surroundings should be clean as the air and pure as the snow.

There is the appeal to fancy. The East still looks toward the West in a fanciful way. The tourist still journeys thousands of miles to breathe the air of western romance and to experience its charm.

Curiosity is still another factor. The virgin Northwest country, the Totem Pole with its suggestion of ancient Indian legend, at once catch the eye and hold attention. Probably there [illegible] been, and never [illegible] other [illegible] must be stock under the escrow [illegible] of



Armour & Company have [illegible] capital stock to the extent of $15[illegible] 000,000, of which $51,000,000 is [illegible] public issue that is to be bought on the stock exchange for employees who elect to invest in the company. The stock was issued at $100 par and may be bought by any employee at about $92 a share.

Of the 200,000 shares of the Youngstown Sheet and Tube Company's stock that are to remain in the treasury following a recent reorganization, 100,000 shares are to be sold to employees "on terms."

IN the majority of cases the investing employee is required, ultimately, to pay the full subscription price for his shares. In some cases, however, various methods have been adopted for discounting the price. The Fox Paper Company, of Lockland, Ohio, sets the price of the first $150 worth of stock purchased by an employee at 80 per cent of par. The Hercules Powder Company allows a reduction of $10 a share and gives the employee five years to complete his payments. The Studebaker Company undertakes to buy the stock in the market and absorbs 50 per cent of the cost, the employee paying the other 50 per cent in instalments covering four years.

There are "catches" and difficulties in stock distribution—catches of motive and difficulties of method. In some instances—rare instances, to be sure, but nevertheless real—stock has been sold to employees as a means of raising money for the business. And there have been other cases, probably more numerous, in which the employees have believed such a condition to exist when, in reality, it did not exist at all.

text that says, "cast your bread upon the water and it will return to you."

Now Haley didn't have that text exactly right. I checked up on him. It says, "Cast thy bread upon the waters; for thou shalt find it after many days." But he had the idea, even if the returns may not come back to him as quickly as he imagines.

The program of home-town boosting for Brown & Haley has resulted in some peculiar situations, one of which was somewhat embarrassing. But first, just a glimpse of the two men to get an idea of their business theories.

Brown started the business twelve years ago in a small confectionery store in Tacoma. From small retailer he became manufacturer and jobber. His hobby is still candy making. Instead of playing golf, or collecting old coins, or buying rare paintings, he goes into

[illegible] any case, the question [illegible] how great an extent does labor avail itself of the opportunity?

The National Industrial Conference Board has compiled a table that presents a cross-section answer to that question. The table covers eighteen representative establishments that offer stock subscriptions to their employees and shows the total number of employees in each establishment buying stock. Of the eighteen enterprises the smallest employs 156 persons, of whom 100 are stock subscribers. The largest has 252,000 employees, of whom 61,000 are subscribers. Excluding one concern, in which only the executives can buy stock, the average percentage of stock-holding employees for the eighteen enterprises is 40.

Seventy per cent of the stock of the Hood Rubber Company, of Watertown, Massachusettes, is owned in the factory. This condition has been brought about by the fact that for years the management has made it easy for executives of the company to acquire stock. Recently the company inaugurated a "thrift club" plan, the purpose of which is to make it equally easy for minor employees to become shareholders. The employee may make payments into a savings fund, of which the company, acting through a trusteeship, is the custodian. When his total credit reaches $150 he may buy one share of stock. The preferred stock of the company—either preferred or common is accessible to the employee—pays 8 per cent. On his pay-

when a loyal Tacoma citizen journeyed to Seattle, chanced upon a small square blue box, took it back to Tacoma, and showed it to his horrified friends.

It bore the Brown & Haley trademark, but the label, "Mount Rainier!"

What! Brown & Haley loyal Tacoma boosters? We'll see about this! The Mount Tacoma Club rose up in arms. A "protest delegation" was hastily organized. A daily newspaper hopped on with both feet and an expose.

Apparently it was up to Mr. Haley to explain. He did. A Seattle candy concern, he disclosed, had been on the point of snatching his idea and turning out a "Mount Rainier" candy. To protect himself he had hastily packed Tacoma-made nut chocolates into some new small blue boxes, substituting the word "Rainier" for "Tacoma," and had sent them off post-haste to Seattle, for Seattle consumption only!

Thus was a tragedy narrowly averted. Today they're eating "Mount Rainier" candies in Seattle, while in other parts of Washington and in twenty-two other states the same brand is tasting just as sweet under the label, "Mount Tacoma."

[illegible] employees' [illegible] part ownership of the business by a stock-subscription method in 1917; and those 11,300 persons all became stockholders within a period of nine weeks.

On the other hand, there have been instances in which business enterprises have abandoned stock-subscription plans because their employees took no interest in them. In other cases the plan has been abolished because employees sold their stock in the open market—a difficulty that has been obviated in some applications of stock distribution by making stock sold to employees non-transferable.

Now the essence of true partnership, of course, is common control. The employee of an industrial concern who acquires a block of stock in the company becomes something more than an employee. His investment in the company has changed his own opinion of himself. Theoretically, he is a capitalist. Possibly his point of view has been changed somewhat, and probably his financial interest in the business has brought to him some measure of the spirit of the organization. He is a part owner of the business. But he has no more to say about the running of the business than any other minority stockholder. The next step, in the belief and practice of some employers, is to make the part-owning employee a part-manager.

In a gorge just below a waterfall on a little stream that empties into the Hudson River—at Wappingers Falls, New York, to be specific—stands a

(Continued on page 24)

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Curiosity is still another factor. The virgin Northwest country, the Totem Pole with its suggestion of ancient Indian legend, at once catch the eye and hold attention. Probably there never has been, and never will be, a child who must be persuaded to eat a stick of sugar candy; but where is the youngster who will not demand a candy stick that is an Indian Totem Pole from the "wild" west? It touches the child fancy.

"We have attempted to combine all these suggestions in one big appeal that will focus attention on our products," said Haley. "At the same time we try to make candies of such high quality that no one will be disappointed once his interest has been gained."

The idea for the novel campaign was worked out by Haley as the result of a trip to eastern cities early in the year.

"I found that if I went into an office and was announced merely as representing a candy firm, I would receive little or no response," he said. "But if I added that I came from the Puget Sound country, immediately I had an interested listener. I was convinced that the East is looking toward the West and is eager for products with the western flavor."

Yet there is a side of the Haley idea, other than "atmosphere." Back of the prominent display of the word "Tacoma," back of such phrases as "Totem Pole Land," and the scenic views of the Northwest, is another and different purpose—that of "boosting" one's own locality.

"Do you figure this is practical?" I asked.

"We have developed our business," Haley replied, "in the firm belief that the more we advance the interests of our home city, and the more we do to develop the Pacific Northwest, the greater will be our own growth. We have applied to our business the Bible text that says, "cast your bread upon the water and it will return to you."

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The package at the left is one of the original containers of "Mount Tacoma" candies. The package at the right shows how Brown & Haley are holding their Seattle market, notwithstanding the rivalry between Tacoma and Seattle, and the dispute as to which is the real name of "The Mountain." This package is for Seattle trade only

WHEN Haley joined the firm seven years ago, he combined his ideas of salesmanship and advertising with Brown's knowledge of candy making. The result of the combination has been to double the business every year. This year it will reach the million dollar mark.

The first product with the "atmospheric" touch to reach general circulation was an individual chocolate nut confection called "Mount Tacoma." It is put out in a small square blue box, on which is a picture of the white mountain which, if you look in your geography, you will find labeled "Mount Rainier."

Tacoma's bulldog claim to the aboriginal name of Washington's famous peak and Seattle's ability to keep the name of the British admiral on the map despite the fuss that was raised before the national geographic board—these are past history. But the snag that Haley fell into with his mountain chocolate is not.

It happened one bright morning when a loyal Tacoma citizen journeyed to Seattle, chanced upon a small square blue box, took it back to Tacoma, and showed it to his horrified friends.

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Thus was a tragedy narrowly averted. Today they're eating "Mount Rainier" candies in Seattle, while in other parts of Washington and in twenty-two other states the same brand is tasting just as sweet under the label, "Mount Tacoma."

With his new sugar sticks, however, Haley has fully redeemed himself in the eyes of his Tacoma friends. Observing an increasing popularity of these age-old classics of the candy world, he determined that his factory should make them a leading specialty.

But what to name them? Partner Brown could build candy sticks that would melt in your mouth; but the name was the thing. For what old-fashioned custom, even if it is but a candy to suck on, cannot be brought back into the raging style with a new name to give it atmosphere and distinction?

All this did Haley ponder in his mind for days. He thought about candy sticks as he went about his business; he thought about them on the street car, and on the train. They would give him no peace.

Then, out of a clear sky came the inspiration—Totem Poles!

Now it so happened that in years gone by the totem pole had been the emblem of the famous Seattle Golden Potlatch, a festival held every summer. Totem poles of all sizes and descriptions had been gathered from Alaskan towns, had been set up in the parks of Seattle and had been made the symbols of the "Seattle spirit."

More ideas for Haley. Quietly he went to Seattle to "steal the thunder." Quietly he rounded up all the totem poles he could find, gathered them in and carried them back with him.

Continued on page 12

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Terminalizing An Industry

How Can the Costs of Distribution Be Reduced? For the Rubber Companies the Problem is Solved by the Northwestern Terminal

By EARL CHRISTMAS

HERE'S A REFRESHING bit of news, coming, as it does, at a time when a lot of men are lying awake nights trying to figure out ways to reduce the cost of getting their products into the hands of customers. Some long-headed men have set up in Minneapolis a plan that smashes the cost of distribution square in the eye, a plan that in one industry is cutting many of the expenses in two.

The Minneapolis plan is nothing more nor less than that of picking up an entire industry and housing it in a series of buildings especially built for it on plans designed to facilitate distribution. Terminalizing an industry, they call it. The entire wholesale tire and rubber goods industry of the Northwest has just been centered in a new $2,000,000 terminal, a terminal made to order and built to fit.



From stockroom to freight car without delay and without the labor and expense of drayage

These are some of the results:

A full-grown, $75,000,000-a-year industry has been removed from behind glass fronts on retail streets, where men long thought it had to remain, and established in a new industrial district.

Stocks in this business have been multiplied five times.

A whole directory of men in a business that was subject to the keenest kind of competition have been brought together to learn the lesson and reap the profits of business co-operation.

The obstacles to the plan seemed at first to be insurmountable, yet the thing has been accomplished. All the leading distributors of tires and rubber goods in Minneapolis have moved, or are preparing to move, not only their stocks of tires, but their offices and sales organizations, into these buildings, known as the Northwestern Terminal.

In this terminal twelve acres of floor space are piled twelve feet high with tires and rubber goods, worth between $30,000,000 and $40,000,000—the largest consolidated stock of the kind the United States outside of Akron, Ohio. Five hundred thousand square feet of floor space—all that is available in the two units of the terminal now completed—have been taken by the big tire and rubber companies, among them the Goodyear, Firestone, Goodrich, Republic, Federal, Pennsylvania, Portage, Horseshoe, Blackhawk, Oldfield and others.

There's a waiting list, too, sufficient to utilize all the 250,000 square feet in the third unit yet to be built. Seven hundred and fifty thousand square feet piled with tires! And only a year and a half ago, when the terminal project was started, the entire floor space occupied by the fifteen companies that have taken space in the terminal did not exceed 100,000 square feet.

In just eighteen months the big rubber companies have revolutionized their methods of serving the territory from Lake Superior to the Rocky Mountains by centering their selling and distributing organizations at the terminal, concentrating in Minneapolis great stocks of tires that formerly were held in six or eight distributing points throughout the Northwest and retaining in the outlying cities only small stocks for emergency demands.

In those eighteen months space has been leased to the tire companies, buildings have been designed and erected, a system of standardized operations has been developed, and the tire companies have moved into their new home, multiplied their stocks and started distributing on a new basis. Meanwhile officials of the Northwestern Terminal Company have found time to plan a series of similar terminals for twenty or more other industries in the same neighborhood.

"Here was the trouble with the tire companies," said Lewis H. Brittin, vice-president and general manager of the Northwestern Terminal Company. "They were trying to serve a territory of 500,000 square miles from behind a glass front on a retail street. You can't do it. This is the largest single trade territory west of the Mississippi. It comprises Montana, North and South Dakota, Minnesota, the upper peninsula of Michigan, northwestern Wisconsin, northeastern Nebraska and the north half of Iowa. It's as long as the territory between Boston and Kansas City and as wide as the territory between Boston and Richmond, Virginia.

"This territory contains seven million people and more than eight hundred thousand motor vehicles. The tires distributed last year through Minneapolis were worth $75,000,000, and this year the volume is much greater.

"What we have done has been simply to organize the machinery of distributing tires on a scale commensurate with the job. In the old days a tire company would start out to serve this vast territory from behind a glass front and would find its costs piling higher and higher as it reached out for business. Under the spur of competition other companies would do the same thing, until we had a whole industry trying to do a wholesale business with a retail system of distribution.

"Then the terminal came along with a plan to standardize the handling of

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tires and suggested the advisability of co-operative distribution as a means of saving time and money. We figured out that each company faced the same problems in distributing its product. So we standardized the operations involved, standardized conditions and equipment, and organized the industry as one big tire distributing agency.

"You can talk about reducing freight rates and reducing the costs of production, but there is a bigger possibility for saving in eliminating this exclusiveness we have cultivated in business. We have all tried too much to be hermits. We try to get off in some corner and run our business all by itself. That's about the most expensive thing we can do.



A standard shipping room truck is loaded with out-bound less-than-carload freight. It is then placed with other trucks on an elevator and dispatched to the tunnel in the basement

"Many of the evils of our present system of distribution are due to this lack of co-operation, the lack of standardization of equipment and operations. Big-scale methods have reduced the costs of production almost as low as possible, but in our system of distribution the waste continues. What makes many commodities so expensive is the cost of handling and shipping and storing them, and I predict that the next decade will see the adoption of many new methods to reduce this waste."

Up in the operating room of the terminal is a big round table. At its head sits the chairman of the terminal's advisory board. There is a chair for each tenant, and chairs for representatives of the railroads and other utility companies that serve the terminal.

"Here, about this table," said Mr. Brittin, "we meet once a month to discuss our problems of distribution and seek, with the carriers, means of improving service and cutting costs. I think that it is the first attempt to bring representatives of the shippers and of the utility companies together regularly on one side of the fence this way."

On the wall above the big round table is a sign that reads "Co-operative Distribution." Just those two words, where they can be seen during the discussions.

Under the old plan each company received cars on its team tracks and sent a drayman to unload the cars and haul the stocks to the stockrooms, unload them in an alley and pile them up on the stockroom floor. Sometimes it took several days to get a shipment into the stock rooms, and the cost of drayage ran from 12 to 14 cents a hundred pounds. Some of the companies lacked sufficient space and had to rent quarters in warehouses, which entailed longer hauls and additional expense.

As orders came in from the Northwest the companies would load up trucks and the tires would be carted away again. Here is where the fun began. Minneapolis has eight freight stations, serving nine railroads. Until the terminal was established there was no one freight station that served all the roads. Thus the distributor was obliged to send his trucks on a round of the stations, for orders frequently called for shipment over many different roads.

What complicated the situation was the fact that almost every company was doing the same thing at the same time. At every freight station stood long lines of trucks, waiting to unload, and frequently they had to wait many hours. In making the rounds of the eight stations a truck would travel not less than three and three-fourths miles.

It was costing the companies 12 to 14 cents a hundred to get their stocks from the station to the storerooms, and that much more to get them back to the station for out-bound shipment. Twenty-eight cents a hundred for draying tires to and from the railroad!

Under the new arrangement cars bringing tires and rubber goods from the factories run along tracks at the side of the terminal buildings. A twenty-foot loading platform, provided with an opening into the stockroom of each company, makes it possible to transfer freight directly from freight car to stockroom. Out-bound shipments in carload lots are loaded directly into cars in from fifteen to twenty minutes, where it formerly required the better part of a day to load a car.

It is in the handling of less-than-carload lots, however, that the greatest savings in time and money have been effected, due to the elimination of drayage and the pooling of shipments. Beneath the loading platform a tunnel—a broad, paved and well-lighted roadway, painted white—runs the entire length of the terminal buildings. Elevators pass through each storeroom and open into the tunnel and upon the loading platform one floor above.

Mail, express, city deliveries and out-bound shipments in less-than-carload lots—everything but carload shipments—goes through this tunnel. A standard shipping room truck is loaded with out-bound less-than-carload freight. It is then placed with other trucks on an elevator and dispatched to the tunnel in the basement. Here it is parked in a spot marked off for that purpose. In a few minutes an electric tractor, hauling a train of similar trucks from stations farther up the line, comes along and picks up the truck.

The trucks are provided with automatic couplers, and hook together on contact. The little train then starts off and takes its freight to the headhouse, at one end of the first unit of



A small electric tractor picks up the trucks and hauls them through the tunnel to the only freight station in Minneapolis that is served by all railroads. The average haul is 800 feet

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the terminal. Elevators raise the trucks to the distributing floor, upon which opens a whole array of stations—the terminal express station, terminal mail station, drayage station for city deliveries, and the only freight station in Minneapolis that is served by all nine railroads.

A circular chute winds its way around the elevators, and gravity carries the empty trucks back to the terminal in eleven seconds. The tractors then take them back to the tenants. Out-bound traffic goes down one side of the tunnel, and the empty trucks return on the other.

This task of transferring less-than-carload freight is performed by the terminal company for its tenants at cost. The average haul to the freight station is 800 feet, and the tunnel system is so well organized that only two men are required to keep it in full operation.

Once a company has run its trucks into that tunnel its part is done. After that it's up to A. W. Trenholm, Jr., operating manager of the terminal. He directs the shipments, pooling them whenever possible. If one railroad can't give good service, he turns the business over to another, thus insuring equal service for all tenants. Under the old system one company might get cars and another might not.

Not even in the case of city deliveries do the companies have to worry about drayage; the terminal attends to that, too. Maintaining a drayage service that handles the local business of all its tenants, the terminal does the job quicker and cheaper by far than the companies could do it themselves. Each company formerly kept from seven to ten trucks, and often these were inadequate to meet demands. All these trucks have been discarded, the company picking up the shipments as they come into the tunnel and delivering them on its own trucks the same day.

Just what does all this mean in dollars and cents? Well, the terminal company estimates that every 100,000 square feet of floor space will save $12,000 a year to its tenants. The smaller companies will save around $6,000 to $7,000 a year, while some of the larger companies will save as much as $20,000 a year.

Take, for example, the item of city deliveries. Contract rates for these deliveries are based on a schedule of rates just 50 per cent less than the individual companies paid under the old system. Rent, too, is much less than it was in the retail district. The expense of watchmen and janitor service has been reduced to 25 per cent of what it was, since the same watchmen and janitors now serve all companies.

The practice of pooling freight shipments, too, is saving a lot of money. Mr. Trenholm says that by pooling the shipments he can save 19 per cent in freight rates on a given car to Fargo, for example, compared with what the companies would have to pay when shipping the smaller amounts separately.

ONE of the most interesting things about the terminal is the way equipment and operations have been standardized. Each building is 600 feet long and 100 feet wide, three stories high. Plans for buildings and equipment alike were worked out by the terminal company and executives of the big tire companies who went to Minneapolis and studied the project in detail before it was approved. Engineers went to Akron and studied the methods of handling tires, then went back and installed special equipment adapted to the needs of the industry.

Everything was made in units based on the size of tires. The engineers adapted a tunnel truck six feet long and three feet wide, just the size to take two tiers of tires. They made elevators eighteen feet long by nine feet wide, just the size to hold four trucks of tires. Ceiling heights were calculated to accommodate tiers of tire racks without loss of space. The operating force is composed of men from Akron and other tire centers—men skilled in handling tires. The various companies not only use the same trucks and other heavy equipment, but they have even standardized on the various forms used in conducting their business.

The Northwestern Terminal is owned by some 240 of the leading business men and firms of Minneapolis, the project having been financed on a bond issue of $5,000,000 and an issue of approximately $1,000,000 of preferred stock. Douglas A. Fiske, former president of the Minneapolis Civic and Commerce Association, is president; Mr. Brittin is vice-president and general manager; Henry Doerr, president of the Minneapolis Drug Company, vice-president, and C. T. Jaffray, president of the First National Bank of Minneapolis, is treasurer.

The Minneapolis plan of terminal development calls for the building of additional units of the terminal for a given industry as that industry grows. For example, two units of the rubber goods terminal have been erected, standing end to end, and another is to be built. As new buildings are added the tunnel will be extended.

But this is not all. The terminal company is preparing to establish branches at Fargo and Minot, North Dakota; Aberdeen, South Dakota; Sioux City, Iowa, and possible other points, whence it will re-distribute tires and rubber goods forwarded to those zones in carload lots from the Minneapolis terminal. Thus the terminal will take on more and more the aspect of a distributing agency.

Essentially a Minneapolis institution, the Northwestern Terminal embodies a principle that has more than local significance.

"This particular terminal," says Mr. Brittin, "was established for the tire and rubber goods industry, but there isn't an industry in the country situated at a strategic distributing point that couldn't apply the same principle to advantage.

"Terminalizing an industry is a good way to reduce the costs of distribution. Such a plan, of course, would scarcely be practicable for a small industry, but an industry that uses or could use, through the consolidation of stocks, say 500,000 square feet of floor space in any one city may well adopt the plan."



An elevator at the end of the tunnel raises trucks to distributing floor and freight station

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Round Pegs in Round Holes

How Labor Turnover is Cut Down When Each Job is Analyzed, Then Filled and Understudied by Healthy, Contented Workers

By LEONARD H. ALLEN

IF YOU FLATTEN OUT the months to make the treads and take the increases from month-end to month-end to make the risers, the chart of a year's labor turnover in almost any business enterprise will look like a flight of stairs.

Now the ideal condition, economically, would be to have no flight of stairs at all, no labor turnover. But it seems that as long as humanity remains human there will be labor turnover. The stairs will continue to rise. Granting this, the job of the business man, with reference to his personnel, is twofold: he must strive to keep the stairs from rising too high in the aggregate; and, in order that the mechanism of his business organization may move the more smoothly, he must try to keep the risers uniform.



A class of "fellow-workers," Jordan-Marsh Company

In the archives of the Jordan-Marsh Company, which employs some 3,750 persons in the operation of a department store in Boston, there are two flights of stairs representing labor turnover. One is complete for a year; it presents a profile of the turnover of 1919. The other is incomplete; it pictures the turnover of 1920 to the end of August. Because they differ radically in the two important particulars of aggregate height and uniformity of ascent, the two flights of stairs, when drawn on the same sheet of paper, stand out in striking contrast.

Nineteen-nineteen's flight of stairs ascends ambitiously—and erratically. Starting at altitude 330—which means that 330 persons left the employ of the store in January—the line climbs diagonally upward and across the year in wild and scrambling leaps. In December it reaches its apex, just above altitude 2,500; or, to be exact, just 69 per cent of the zenith that is represented by the 3,750 persons required to operate the store.

Nineteen-twenty, on the other hand, starts at a lower level—190, to be precise—and moves upward more slowly and more uniformly. Its absolute line of ascent is less precipitous. Contrasted with those of 1919, the risers in its stairs are beautifully symmetrical. At the end of August—the last month to have been completed when this was written—the line had reached the height of exactly 1,200. And this contrasted with 1,700 for the same month in 1919.

In other words and in terms of human beings instead of lines on a sheet of paper, the number of persons who left the Jordan-Marsh employ during the first eight months of 1920 was smaller by 500 than the number who left during the first eight months of 1919. It is with the reasons for this difference, this gain of a half-thousand on the credit side of turnover, that this article is concerned.

No miracle has come to pass. But in the Jordan-Marsh store this year certain agencies are in existence and certain forces are in effect that did not exist or operate last year. It is the cumulative effect of these agencies and forces toward a lowered labor turnover that has made itself apparent, so markedly, in a comparison of the personnel figures for the two years.

Back of every method is a principle, a policy. If the Jordan-Marsh policy of personnel can be summed up in a sentence it is to hire only the worker that will—theoretically—fit into the job; and then, if the fit proves imperfect, to make the job fit the worker. This policy is applied in three broad general methods:

1. The exercise of great care in employment; seeing to it, as far as it is humanly possible to do so, that the person coming in is so constituted, physically, mentally and temperamentally, as to fit into the job and into the organization.

2. Following up the newcomer, systematically, after he has joined the organization; watching his work from several points of view; coaching and training and encouraging him in his work.

3. Analyzing the jobs in the store, determining their special and peculiar requirements and providing for the future fulfillment of those requirements by "understudying" the jobs.

For all its personnel work the Jordan-Marsh organization is divided into four main divisions—sales, office, general and junior. The three first are self-explanatory. In the junior division are grouped the younger employees, 16 to 19 years old, who, for the most part, are cashiers and inspectors. Each division has a supervisor, responsible for all matters of personnel within that division. In addition, there are two hiring supervisors, a man for the employing of men and boys and a woman for the employing of women and girls.

But—and this sounds paradoxical in an article about employing help—the hiring supervisors have nothing to do until someone else has been unable to do it. And this brings us, as in a circle, to the matter of analyzing the job and understudying it.

Job analysis and understudying is the work of the Jordan-Marsh planning department and more specifically of Merrill W. Osgood, the methods director. Every job in the Jordan-Marsh store that is susceptible to such treatment—and this includes virtually every job in the store except jobs in the sales division, and even in the

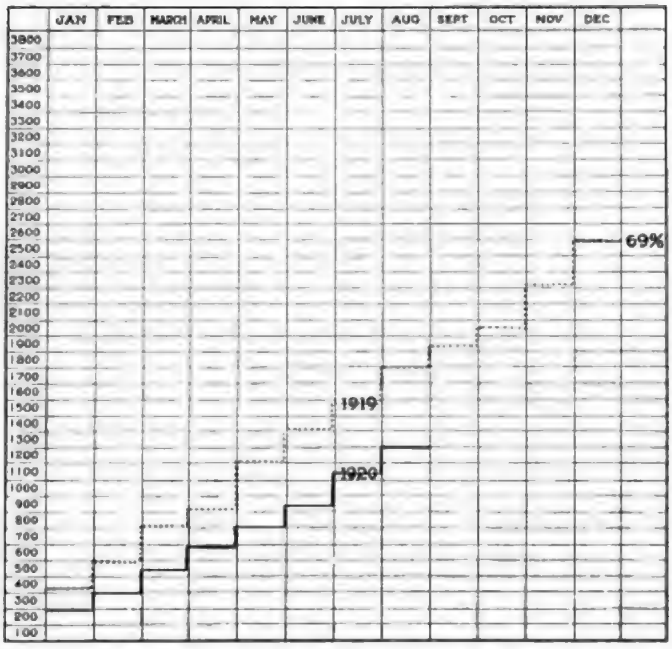
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division a start has been made—has been analyzed by the planning department and rated as to requirements and salary. Every department head in the divisions so analyzed has on his desk a chart on which are visualized all the jobs within his department. Jobs that are related to each other in the line of promotion are grouped together, each job in a rectangle by itself, with its functions, its daily schedule of work, its peculiar specifications as to requirements, its salary rate and its bonus arrangement all duly listed.

Consider a specific case: The young woman at the head of the mailing department finds that she has a vacancy to fill—her assistant is leaving to go to college. Together, the executive division manager and the office supervisor—since this happens to be a job within the personnel jurisdiction of the office supervisor—have a look at the department chart, with its group of rectangles representing jobs, lined up from left to right in the order of their rank downward.

Under the head of "Functions" the rectangle for assistant department head lists these duties: "Stamp and seal mail; sort U. S. and inter-store mail for store delivery; wrap and stamp parcels post and insured mail; run off store notices on mimeograph." Next below the statement of functions is given the schedule of the job, made up from a time study of an average day's work. And next below the schedule is the topic of most importance when an appointment is being considered, the job specifications. These particular specifications happen to call for a young woman; the physical work entailed is rather light, but there is some mental strain; the incumbent must be accurate, careful and dependable, and equipped with a thorough knowledge of the "lay-out" of the store and the ability to read "poor" writing. The job, according to the last notation under the head of specifications, is "understudied by the inter-store mail service girls."

Very well, what about the inter-store mail service girls? On the chart, next door to the rectangle for the assistant department head and on the right of it, is another rectangle designated "Inter-store Service." Here the line-up of functions differs from that of the assistant department head—and naturally so, because the job is different—



The upper flight of stairs represents the labor turnover in the Jordan-Marsh Company store in 1919. The lower flight represents the turnover to the end of August, 1920

but the notations under "Job Specifications" coincide on several points with those of the job next higher up. Inter-store mail service, the chart shows, can be handled by a girl, as distinguished from the "young woman" specified for assistant department head; and, while the girl's general ability need not scale quite so high, she, too, must be accurate and dependable and have a thorough knowledge of the store's departmental arrangement. There is a rubber-stamped admonition in the inter-store service rectangle to "consider for promotion after six months."

"Is there a girl in the inter-store mail service that comes up to the specifications?" the division executive asks.

"Yes," the supervisor says, "Miss Murphy qualifies. She has reached the maximum salary in inter-store service and is eligible for promotion."

"Very well," says the division head, "we'll appoint Miss Murphy assistant department head of the mailing department."

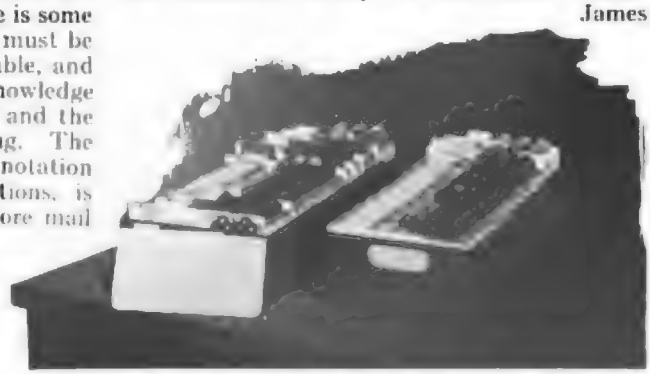
And that's all there is to a promotion in the Jordan-Marsh plan of analyzing and understudying the job—that is, that's all there is to the process except for filling Miss Murphy's place in the inter-store service, which, according to the chart, is understudied by inspectors or by cashiers desiring office work—in a word, by the juniors.

And now, although development of the process of analyzing and understudying the jobs is making it increasingly difficult for such a contingency to arise, consider a case in which it is impossible or impractical to fill a vacancy by promotion or by transfer from another department. Take a selling job, for instance. For the division of sales there are plans for a promotional system that will take its graduations from associated lines of merchandise, but consider a case under conditions as they exist without the promotional plan.

A man is needed to sell trousers. To the hiring supervisor is delegated the job of finding the man. Let us—to become clubby all of a sudden with the reader—let's go upstairs to the employment office and watch the wheels go 'round.

Employment office, we find, is a generic and none too accurate term that really takes in a whole community of offices that occupy a goodly section of the seventh floor of the new Jordan-Marsh building. In the group are the offices of the employment manager, James H. Fairclough, Jr., and the several supervisors. Besides, there are the offices and the files and appurtenances of the timekeepers and the keepers of individual records of employee. Last, but not least—and really first as you come into the village of offices from the elevators—is the Baltimore lunch.

At least, it looks like a Baltimore lunch when you first step in. There, surely, are the familiar one-armed chairs. But quickly you see that the wide arms of the chairs are not for eating but for writing purposes. Job applicants sit in those chairs and fill out application blanks the while they wait their turn



Here's a good trick—a card file for holding and recording locker keys. The cards are made of two pieces of light cardboard and a filler of heavier cardboard that has five slots cut into it from one side. The three pieces are pasted together, with the filler in the middle. The slots in the filler constitute openings into which the shanks of keys can be inserted. A slot on the end holds a little ticket containing the name of the person to whom the key is assigned. When a key is lost or an extra key is wanted a little tag marked "K" is slipped into the slot of the missing key. The Jordan-Marsh Company locksmith gives the file the "once-over" every morning

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to go through the employment mill.

"Mill" is a word deliberately used. That Jordan-Marsh employment department really is a mill, a piece of smooth-working machinery. On almost any fairly busy forenoon its human grist will number a couple of hundred persons. It grinds not slowly—for it must move fast to get its work done—but it does grind "exceeding fine." Of the two hundred that may be called, twenty may be chosen.

Through the center of the Baltimore lunch runs a partition that separates the applicants, men and women. At the inner end of the partition and on each side of it, are two gates, one marked "In" and the other marked "Out." The "Out" gate swings only out and the "In" gate swings only in—like a pair of valves—but the "In" gate opens only when the hiring supervisor—a man on the men's side and a woman on the women's side and standing at the "hiring desks" a few feet inside the gates—touches an electric button.

Usually the applicants have been interviewed in a preliminary way by an assistant hiring supervisor. Thus many are eliminated. Then the survivors as their turns approach, line up just outside the "In" gate. One by one they go through, to stand at the hiring desk and be questioned and passed upon by the hiring supervisor.

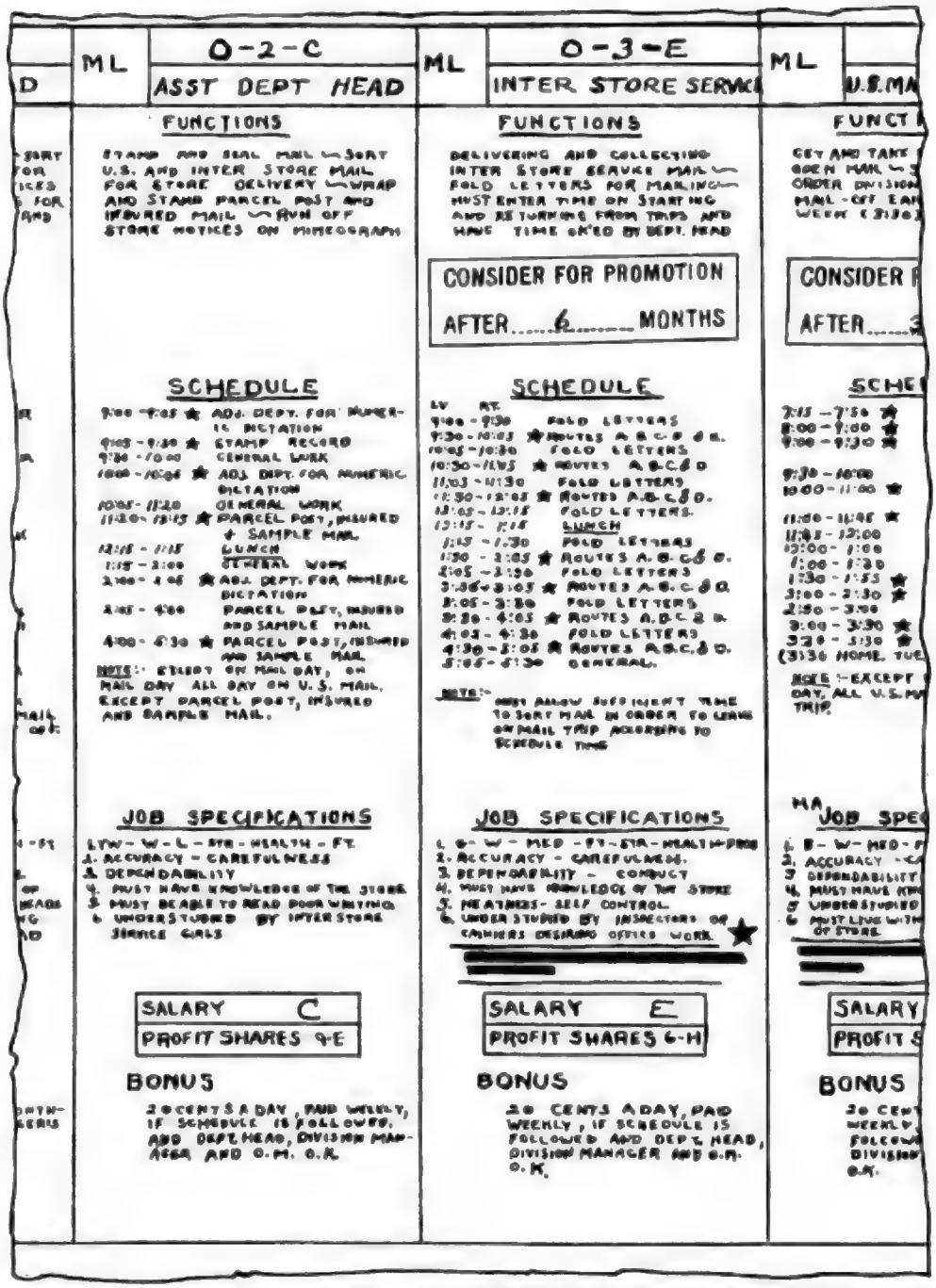
And so, finally, there passes through the "In" gate the man who is to sell pants. Let's go in with him. He has had some experience in selling pants. He is young and intelligent-looking, neatly dressed and of sufficient education. He qualifies. The sales supervisor has a little talk with him. Then he is "booked." His name is entered upon the time records. A master card that will hold the history of his association with the Jordan-Marsh Company for all the time he is a member of the organization goes into a folder in a master file—to remain there. He is assigned a number and a locker and given a locker key—the key being taken, by the way, out of an ingenious arrangement of file-cards that have taken the place, most satisfactorily, of a cumbersome key rack. And now the man who is to sell pants is a Jordan-Marsh employee—no, not an employee, but a "fellow-worker."

Employee is a word that has been banished from the Jordan-Marsh vocabulary. But the banishment of the word is a reflection of something bigger than a mere distinction in terminology. There is a difference in meaning. Fellow-worker is the word because the principle that actuates the Jordan-Marsh plan of personnel effort is to make every person on the payroll work with the organization and not for the Jordan-Marsh Company.

"We call this the employment department," said Employment Manager Fairclough, "but employment is only a small part of our work. It's only the beginning. The big thing is what we do with and for our fellow-workers after they are employed."

From the time he is "booked," through all the phases of his service with the company, through his promotions and transfers from department to department, the fellow-worker is under the personal observation and the sympathetic supervision of his respective supervisor. His department head may be his boss, but his supervisor is his guardian. On the day he is hired, a record of that event goes into the supervisor's tickler file, to come out one month later for action. At the end of that first month there is made up a three-angled analysis of the fellow-worker and his work. He, himself, has a hand in that analysis; he passes opinion on himself. His department head has a hand in it; he sets down his verdict. And the third party to the analysis is the supervisor. The three opinions, taken from the three points of view, are assembled on a card—it's called the "Fellow-worker Analysis Record"—and this card, too, goes into the master file.

Thenceforth, from month to month, automatically the case of that fellow-worker comes up for consideration. Under the Jordan-Marsh plan of rating jobs as to salary, his increases in pay will come automatically—if he is just normal. But he may be sub-normal in ability, or he may be abnormally



A section of the chart containing an analysis of the jobs in the mailing department. The O at the top of the left-hand column means that the job—that of assistant department head—is under the office supervisor; the figure 2 designates the job number, and the letter C indicates the amount of salary. The symbols in the first line under the heading "job specifications," indicate that the job is filled by a young woman; that it involves light physical work but some mental strain, and that the incumbent must be healthy and have strong feet. This job is understudied by the inter-store service girls, whose work is analyzed in the column at the right

(Continued on page

A $4,000,000 Corner Grocery

Six Tons of Butter in a Single Day; 1,000 Cases of Eggs a Week; 25 Tons of Coffee a Month—That's What They Sell at McCann's

By WILLIAM G. CAMPBELL

YOU GO IN through the main entrance and find the butter counter on your right and the delicatessen department on your left. The storeroom, you observe, is rather narrow—not more than thirty feet in width—although it does seem to run back rather "deep."

You saunter back toward the rear end and toward the little crate of offices suspended, mezzanine-like, just below the ceiling; and then, on your right, an archway opens. You see that the store really is L-shaped, and you observe, through the archway, another storeroom and beyond that another archway and still another room. You know, unofficially, that in addition to what you can see from where you are, there are a restaurant, a coffee shop and a cafeteria, all public.



Within a radius of 500 feet it has fifty-five competitors

"Well," you admit, grudgingly, "maybe it's possible."

Then, somewhat later, say at 5 o'clock on a Saturday afternoon, you go back to the store for another look around; and then you see how McCann & Company, grocers de luxe, doing business in a single store in the heart of Pittsburgh's retail market district, are physically able to realize a volume of sales running over $4,000,000 a year.

That butter counter that you saw when you first came in is lined, and quite literally lined, with customers. They are three and four deep. The crowd is so dense that you can't see the counter. There are all kinds of people in that crowd. You can see they have come from all walks of life, although just at the moment they aren't doing much walking. They're all too busy crowding up to buy butter and eggs. Here and there you spot the grey-blue uniform of a chauffeur. He has come, in a limousine or sedan that waits outside—and there's always a line of automobiles outside McCann's—to buy McCann's butter and eggs for the Lady of the House.

"What's needed here," you say, as you worm your way back through the throng, "is a traffic policeman."

Back at the lunch counter under the mezzanine—a little auxiliary lunch counter, where coffee and sandwiches and buttermilk are available—there is another line, two and three deep. You sheer off to the right, through the archway, and are caught up in another swirl of traffic, and you swim through that to a little eddy where the current moves less giddily, and thereabouts, probably, you find the manager. He's just visiting around, calling customers by name and asking them if they have been waited on.

"Just like a corner grocery store," you soliloquize, "but what a difference!"

Then you buttonhole the manager—at least I did.

"Mr. Kefover," I said—his name is Clark Kefover and he used to be a department store executive—"tell me about this place." And he gave me these facts and figures:

The McCann store had its beginnings back in the eighties when Owen and Frank McCann, brothers, donned each a white apron and began selling butter and eggs in the Pittsburgh market place. They started with a little stall. Today the enterprise they founded is a corporation; the brothers have retired from its active management; and whether or not the McCann store is, as it is said to be, the largest single grocery store in America, one thing is certain and that is that the little stall of the McCann's has grown into a "whale" of a store.

In the aggregate the store occupies 60,000 square feet of floor space. But—and note this, for it shows something of what can be done by the concentration of sales effort—despite the fact that the store is housed in a three-story building its $4,000,000 annual business is done in a space comprising just one-third of the total area; the ground floor alone is devoted to retail selling. Just a little corner of the second floor is needed for the executive offices; the rest of the floor provides storage room for canned groceries and the like. The third floor has facilities for the storing and roasting of coffee.

On a Saturday the customers who buy things in the McCann store number between 50,000 and 75,000.

At the butter counter alone—where on the day I visited the store, eighteen men were at work cutting, weighing, wrapping and selling butter—a single Saturday's sales will run over 12,000 pounds—six tons—of butter. In the same department, sales of eggs amount to 1,000 cases a week.

The coffee roasting department turns out, on an average, 50,000 pounds—twenty-five tons—of coffee in a month.

Every day 600 persons patronize the cafeteria and 2,000 others partake of "snacks" in the coffee shop.

Through the week the store employs on its regular payroll, about 225 persons. On Saturday the working force is increased to about 300. "Yes," the manager said, "it takes quite a force of people to run the place. In the meat department, for instance, we have twenty-seven butchers."

"Let's go and have a look at the butter counter," Kefover suggested. "To me that's the most interesting spot in the store."

We worked our way back through the crowd to the forty-foot counter near the main entrance, found a place from which we could see, and looked on.

The butter and eggs, a tub and

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use at a time, come up in electric levators from the cold-storage boxes n the basement. Behind the counter he butter men work in teams of two, ne man cutting and weighing and he other wrapping and selling. Each tub of butter and each case of ggs, as it comes up from the basement, s tallied against a team or a salesman nd charged at the retail price. At the nd of the day the sales of each sales- an and each team of men must heck against the charges.

"Watch that fellow over there, econd from the end." Kefover di- ected. "He cuts sixty tubs of butter day. If you don't think that cutting ixty tubs of butter into quarter- ound, half-pound and one-pound uts constitutes a day's work, you ught to try it. Cutting butter, as ou see it done here, is a trade peculiar o the McCann store. It requires nice udgment of weight—and a darned trong right arm. Butter cutters of ur kind aren't born—they're made; nd we have to 'make' them ourselves. nd temperamental! Say, in my de- artment store experience I dealt with rofessional artists and I thought they ere temperamental; but until I en- ountered these home-trained butter utters of ours I didn't know what emperament was!"

I went upstairs to talk with the resident, W. P. Fraser, about the erchandising methods of McCann & ompany.

"Well," he said, "in such a business as ours, so big a business, you'd expect to find a highly complicated system, something exceedingly technical and scientific-sounding. But our system doesn't even sound complicated—although it isn't always as simple as it sounds. It's just this, summed up in the one rule that summarizes our methods and our policy: Buy the best there is of everything in which the store deals, and then sell at a profit.

"TAKE butter, for instance. The butter we buy is absolutely the best butter that can be had. It's the kind of butter that is served in the dining room of the Waldorf in New York. There isn't another retail store in America that I know of that sells that kind of butter over the counter. But we buy it, and buy it in carload lots; and then we sell it at a fair profit. To get it we have to pay the price. I am safe in saying that in ten years we haven't bought a pound of butter that didn't cost us at least a cent a pound more than the market price.

"It's the same with eggs. We buy only the best and we pay the price to get them. Every egg that goes over our counters is candled in our own store, and candled on the day it is sold. We carry neither butter nor eggs in storage. I have seen days on which we have sold over six tons of butter and on which, at the close of the day's business, there wouldn't be more than three or four tubs of butter left in the cold-storage boxes downstairs. It's the same with meats, groceries, the food we serve in the restaurants—with everything we handle. To attract our buyers a thing has to be more than 'good'; it has to be the best.

"Our prices? Of course they are higher than our competitors'. But our customers are willing to pay the difference to get McCann's goods. I'm not boasting, but stating a simple fact, when I tell you that there are thousands of housewives in Pittsburgh who won't buy anything but McCann's butter and eggs. Our customers themselves have made our slogan for us: 'If it's McCann's it's good.'

"Our competitors undersell us on nearly every line and every item that we carry. When I made up the income tax returns for the store I had occasion to look closely into the matter of our competition; and I found that, located within five hundred feet of us here in the retail market district, there are just fifty-five competitors. Yet the fact that our prices are uniformly higher than the prices of these competitors in our immediate neighborhood seems to have no effect whatever on our business. We just go along in our own way, making our own margin of profit without regard to competition and setting our own prices, and our customers never complain.

"It must not be assumed that we cater only to the rich. Rich and poor alike come to McCann's for quality. Our buying in quantities is an advantage to such a cosmopolitan trade.

(Continued on page 37)



"To attract our buyers," says Mr. Fraser, "a thing has to be more than 'good', it has to be the best"

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What Is Turnover?

By H. VICTOR WRIGHT
Director of Research Bureau, American National Retail Jewelers' Association

A DELEGATE to a recent convention of retail jewelers said that he maintained an average stock of $25,000 and that his gross sales for the last year were $75,000. In this statement, standing alone, there is nothing unusual, but when the same merchant later referred to the fact that on this basis he was turning his stock three times a year, he betrayed a mis-understanding of the word "turnover" as it is applied to express the movement of merchandise.

Evidently he reached his conclusion by dividing $75,000 by $25,000, but in so doing he was overlooking the fact that the $75,000 represented goods at retail prices, while the $25,000 represented goods at cost.

Every merchant should have a clear idea of what "turnover" really is, and protect himself from the consequences of a very common error. Moreover, the value of the interchange of thought and experience upon which our success so largely depends requires accuracy and uniformity of interpretation, as well as of classification.

If you were to invest $100 in a diamond ring and sell it for $150, would you say that you had turned your stock one and one-half times? Surely not; the simplicity of the transaction clearly indicates otherwise. You had a stock worth $100 represented by one diamond ring, and you disposed of your entire stock—once.

Again, if you should sell the same ring for $200, instead of $150, you would not say that you had turned your stock twice, for it would be apparent that you had disposed of your stock-in-trade but once. In other words, your turnover would still be $100. On the other hand, if you should sell the ring for less than the $100 you paid for it, you would still have turned your stock once. It is therefore obvious that the price at which you sold the ring had nothing whatever to do with your rate of turnover.

Let us, at this point, see that we understand clearly the distinction between "turnover" and "rate of turnover."

Our "turnover" is always our *sales at cost*. In other words, it is the sum of our stock on hand at the beginning of the period in question—for illustration we will assume a year—*plus* the total purchases for the year, *less* the amount of stock on hand at the end of the year. For example:

Stock on hand Feb. 1, 1920	$43,000
(Add) Purchases, Feb. 1, 1920, to Jan. 31, 1921	61,000
	$104,000
(Deduct) Stock on hand Jan. 31, 1921	41,000
Amount of "turnover," or *sales at cost*, for year	$ 63,000

How, then, are we to determine our "rate of turnover," and determine it accurately? First of all, we must find the *average* stock on hand for the period in question. The accuracy of this figure, of course, will depend on the completeness of our records.

It may be that the only data from which the average stock on hand can be determined is the amount of stock on hand at the time of each annual stocktaking. For example, if your merchandise on hand February 1, 1920, was $43,000, while on January 31, 1921, your merchandise on hand amounts to $41,000, you would divide the total, $84,000, by two and conclude that your average stock on hand was $42,000.

THE accuracy of this figure, however, will depend upon the answer to a very important question: how near your average stock was the stock at the time of taking inventory? It may be that the stock was greatly reduced during the summer months, or largely increased in anticipation of the December trade. These conditions naturally would have an important bearing on the average stock maintained, and should not be overlooked. If the inventory is taken at a season when stock is abnormally low, and these figures are accepted as determining the average stock on hand, then the rate of turnover will seem to be greater than it really is. On the other hand, if you take inventory at a time when stocks are abnormally large, these figures will indicate a rate of turnover less than it really is.

Now let us suppose that your records are complete enough to reveal not only the amount of stock on hand at the beginning and end of each fiscal period, but also the amount of your purchases and the cost of the goods sold, *from month to month*. Knowing the estimated stock on hand for every month in the year, you have only to divide the sum of these amounts by twelve and you arrive with almost absolute accuracy at the figure you want—the amount of your average stock. For example:

February 1, 1920, stock on hand	$43,000
Purchases for February (add)	3,000
	$46,000
Less cost of goods sold in Feb.	4,000
March 1, 1920, stock on hand	$42,000

By repeating this process from month to month, you will accumulate figures somewhat like the following:

February 1, stock on hand	$ 43,000
March 1, stock on hand	42,000
April 1, stock on hand	41,000
May 1, stock on hand	41,000
June 1, stock on hand	37,000
July 1, stock on hand	35,000
August 1, stock on hand	35,000
September 1, stock on hand	39,000
October 1, stock on hand	42,000
November 1, stock on hand	47,000
December 1, stock on hand	59,000
January 1, 1921, stock on hand	43,000
	$504,000

Divide this total, $504,000, by twelve and the result is $42,000, your average stock on hand for the year.

Now divide the turnover, or sales at cost, by the average stock on hand (always at cost), and the result is your rate of turnover, the number of times that your stock has turned. Using the foregoing figures and dividing the amount of the turnover, $63,000, by the average stock on hand for the same period, $42,000, we find that in this instance the rate of turnover is one and one-half.

Before dismissing this subject of turnover, let me make clear one other point. Because your figures indicate that your stock has turned one and one-half times in the course of the year, do not assume that all stock has turned at the same rate. The merchandise in one department may have turned twice in the year, while that in another department may have turned only once. Your figures thus far indicate merely that you have turned one and one-half times the equivalent of the entire stock. Some merchandise has remained in your stock from the beginning of the year to the end, while other merchandise has been sold and replaced and sold again—possibly many times.

This thought emphasizes the need of going a step farther and of keeping accurate records of inventory, purchases, sales, and cost of goods sold

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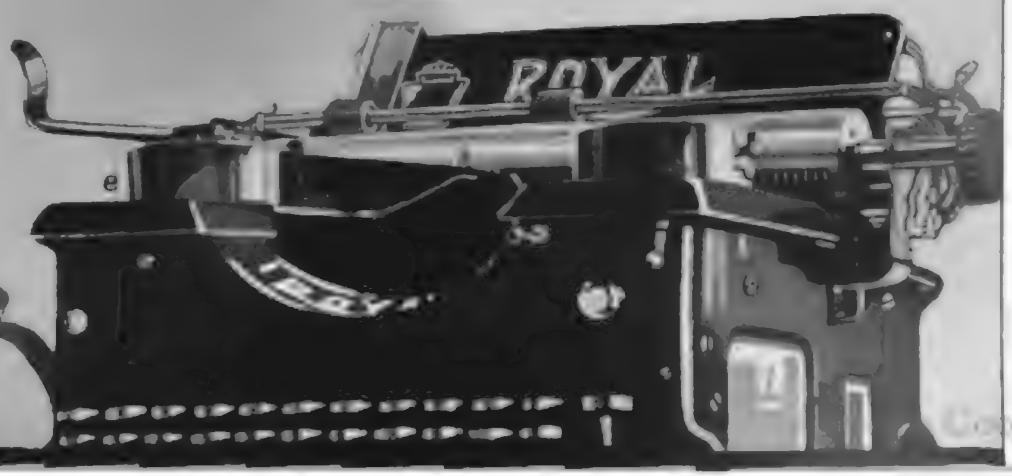
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ADVERTISING SECTION

by departments at least, and, so far as is practicable, by lines within departments. Thus we shall be able to distinguish between those lines that are moving fast and those that are moving slowly. With this information at hand we can then exert ourselves to increase the volume of sales of the fast-moving lines and regulate the mark-up of the slow-moving kind to compensate us for their slowness of turnover.

In some lines the rate of turnover is abnormally low. That is unfortunate, of course, but it may easily happen that the condition is due to circumstances beyond our control. Even so, nothing should prevent us from closely watching our rate of turnover. We can at least carefully analyze our stock, and satisfy ourselves that we are not impairing our rating by too liberal buying or by maintaining those lines that move too slowly to pay a profit.

If our rate of turnover must remain low, then we must increase our percentage of profits proportionately, for slow turnover is not of itself conducive to the satisfactory building of profits.

The increasing prosperity of the retailer must come from efforts directed in one, or all, of four directions: increased number of sales, increased mark-up, reduced percentage of overhead, or more rapid turnover.

It is our duty to give to our customers the goods that they want, at prices that are right—based, therefore, upon efficient merchandising at every point—and that we should receive, as our reward for the performance of that duty, a profit that is commensurate with our efforts.

The question for us to decide, therefore, is in which of these directions we are to find our opportunity for performing a more efficient service and reaping a more worthy recompense for our investment and our toil.

It Happened In Boston

A woman alighted from her limousine and tripped daintily into a Washington street shoe store.

"I'd like to look at boudoir slippers," she told a salesman.

She looked. She looked at just about every class and kind and cut of boudoir slippers in the place. The matters of last and size and style were settled. But she hesitated over the matter of color. She hesitated and pursed her lips and tapped the floor with the toe of one well-shod foot and looked thoughtful. Then an idea dawned.

"Tell you what I'll do," she told the salesman, "I'll send my kimono down with my chauffeur and have you match the shade."

"Er—yes'm!" said the salesman.

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Partners in the Business

(Continued from page 9)

factory that has been operating for more than a century. It is known now as the Dutchess Bleachery. The bleachery is more than a factory; it's old enough to deserve to be called an institution. Some of its 500 employees have worked in the place all their lives. An odd place, surely, to find something new in industrial relations! Yet there is something new in the way that bleachery is run.

To a lesser extent than in many other industrial enterprises in which the employees share in the ownership, the "operatives" of the Dutchess Bleachery share in the ownership of the bleachery. Among them and altogether, they hold only about $20,000 worth of the stock. But to a greater extent than in many another industrial concern that boasts a high percentage of stockholding employees, the operatives of the Dutchess Bleachery participate in the management of the business. And this has been brought about by carrying forward the principle and some of the methods of industrial democracy.

There is a board of operatives, composed of nine members, elected by the employees. The board has jurisdiction over working conditions in the plant. Above the board of operatives is the board of management. This board is composed of six members, three of whom represent the management and three (elected by the operatives), represent the employees. The board of management runs the place. Above the board of management is the board of directors. There are five directors. Three represent the management, the company. One is an operative and represents the operatives. The fifth represents the public, the ultimate consumer himself and none other. The name of that fifth director could be Mr. Common People.

Mr. People's entrance right at this point has snarled up, more or less, the smooth and even flow of thought in this article. From the purely literary viewpoint, he is a character who doesn't belong in this discourse at all. He belongs to another story entirely, a "big" story, to be sure, but a theme that has to do with public relations; and we have been talking about human relations. But the idea that his membership on that board of directors symbolizes is entirely too big to be passed over, even here, as irrelevant. He symbolizes the thought in the minds of the men at the head of the Dutchess Bleachery that the consuming public, as a factor in the industrial equation, must have direct representation in the councils of industry.

The Dutchess Bleachery sells water and electric power to the village of Wappingers Falls. Thus the village



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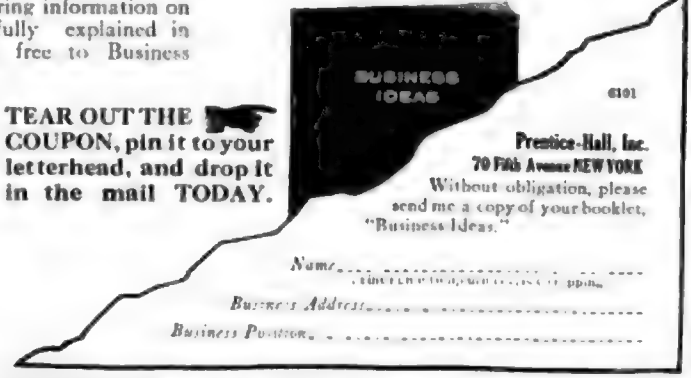
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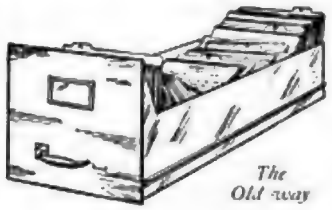
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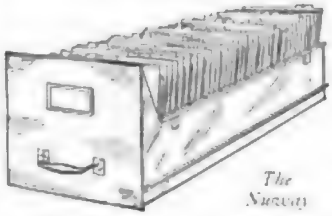
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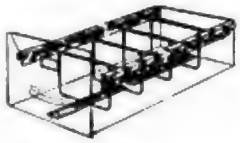
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really is a customer of the plant. The "outside" member of the board of directors represents that section—the village—of the company's ultimate consumers. His name isn't People, at all, and he happens to be the mayor of the village, with his term of office just expiring. He was chosen by the other directors, of course, and his membership on the board is by their sufferance, theoretically. The plan is that each retiring mayor, as his term expires, is to be elected to the board by the four other directors. His legal powers as a director of the Dutchess Bleachery may be limited—and, of course, they are—but Hizzoner is there on the board. That's the point. And now we may excuse the mayor and the idea back of him, and get back to industrial relations.

The Dutchess Bleachery splits its profits "fifty-fifty" with its operatives. But that principle works both ways. And here is how the double-acting principle is applied: Not all of the profits of each year are divided evenly between capital and labor and paid directly to each. First, out of the surplus that remains at the end of each year, there is deducted a 6 per cent dividend for capital. Next there come out two sinking funds. One of these is a sinking fund for the stockholders, to pay the dividends through "bad" periods. The other is a sinking fund for the operatives, to pay a part of their wages through periods of unemployment. The unemployment, of course, must result from no fault of the idle employee and the wage he receives while idle is only "half time." But the fund is there and it functions.

The Dennison Manufacturing Company, of Framingham, Massachusetts, makes tags. It employs about 3,500 persons and it turns out 12,000,000 tags a day. So much for qualification and identification. The Dennison Company has been making tags for years; it's another institution. It has a long trail of tags behind it. Since 1911 it has been making something else—partner-employees. In the making of partners of employees it stands, among big business enterprises, out in front.

In 1911 the company was reorganized. The reasons for the reorganization and the form that the reorganization was made to take are best outlined in the introduction to the by-laws of the company:

"The chief motives which led us to reincorporate the Dennison Manufacturing Company were first—to provide a better means of distribution of whatever profits there might be in excess of a fair return on capital; second—to make certain that the voting power would always remain in the hands of those intimately acquainted with the company's affairs. From the early days of the company, stock had

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been offered to employees at a figure below its actual value, but this plan proved insufficient, unsatisfactory and unfair in many ways. As a measure of safety for the future, then, the form of incorporation was changed.

"The common stock was all converted into a first preferred stock, carrying a fixed cumulative dividend, with preference in assets and dividends, but no rights to accretions. The amount of this stock and the rate of dividend were chosen to represent a fair return on the capital at that time invested in the concern. It was then provided that if there were any profits remaining after these dividends had been paid, these profits should be invested in the business and against them issued yearly a stock which we call Industrial Partnership Stock.

"Because this Industrial Partnership Stock had been earned by the efforts of the organization, not by the mere investment of capital, it became necessary to determine to whom this stock should be issued. An analysis, so thorough as to deal almost individually with the cases of more than 2,000 employees, led us to the conclusion that profits depended almost solely upon such men as sales managers, senior salesmen, department heads, foremen and the like. We call them 'principal employees.' Principal employees are now limited to those who have had five years or more of service and whose positions with the company require the exercise of managerial ability and control over methods of manufacturing or marketing, or whose work shows the use of a high degree of imagination, tact, or business judgment. To these men the Industrial Partnership Stock is issued, if their combined efforts have earned profits in the previous year. To distinguish the relative profit-earning power of each man in this class, it is clear that the relative salary of each is a fair guide, and the stock is therefore issued to them in proportion to the salary they received the previous year."

These "principal employees" of the Dennison Company not only manage the every-day affairs of the business, but they vote as stockholders. So long as they make good in their responsibilities to the "outside" holders of the first preferred stock—and making good in that respect consists in paying the dividend on the first preferred—the "principal employees" are the only stockholders who do any voting at all in the affairs of the Dennison Company. It is provided that in case only one-half of the regular dividend is paid on the first preferred stock in one year, or only three-quarters for two years, the first preferred regains its vote and retains it until conditions are normal again; or, if for four years dividends on the first preferred are at all



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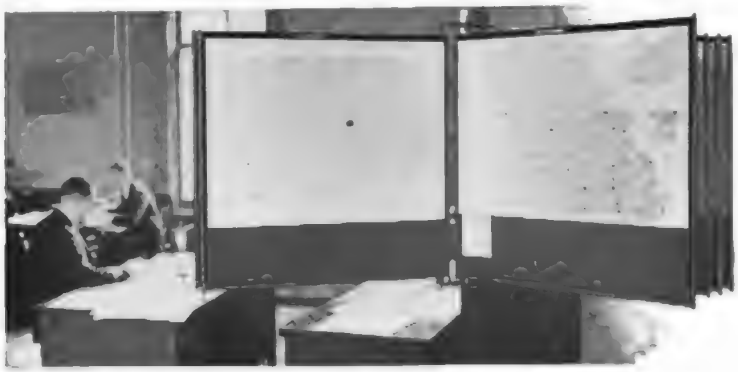
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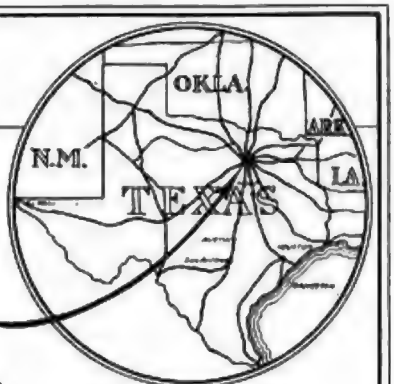
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ADVERTISING SECTION

in arrears, then the Industrial Partnership stockholders lose their vote permanently.

Of the 3,500 employees of the company, 364 are "principal employees." They hold $1,800,000 worth of stock.

For the other employees, a subcommittee of one of the works committees into which the Dennison workers are organized submitted a program of profit-sharing early this year. The program was approved and adopted and this is how it operates:

The reinvested surplus is now divided into two parts. Two-thirds go to the "principal employees" to be divided as heretofore, and the remaining one-third goes into a fund known as the Employees' Industrial Partnership Fund for the other employees.

For purposes of apportionment these non-executive employees are divided into groups, depending upon their length of service. The number of shares apportioned to each individual depends upon the number of persons in each group and the amount to be distributed. Within each group all employees receive the same number of shares of stock. Although it bears the same dividend as that apportioned to the "principal employees," the stock distributed to minor employees is non-voting; the employees, through their works committees, expressed themselves as preferring it so.

Henry S. Dennison says that State street, the financial district of Boston, thinks he is a "Socialist." But he laughs when he says it.

"I don't know just what political economists would call what we're doing here," he said. "But, anyway, it works. I don't know how it sizes up ethically—I suppose it isn't quite all wrong—but it's sound business.

"You can't expect absentee control to run a plant economically and profitably. The people who have devoted their lives to this business ought to be able to run the place. And if, to run it right without the interference of absentee control, they must own it, then the course of good business is to see to it that they do own it.

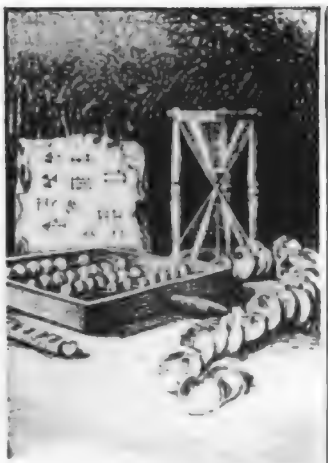
"Profit-sharing without management-sharing is a gift, and you can't make anything else out of it. You can put a bonus in the weekly pay envelope for increased production, and you'll get increased production. But you'll get more waste, too, than you would if your people all cared like the deuce about the business."

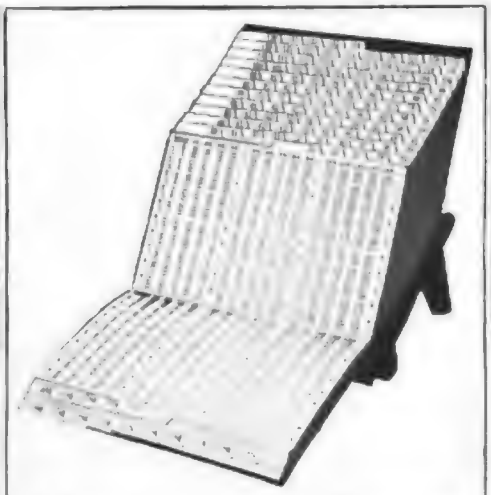
True Words Spoken in Jest

"Aren't you in favor of the spelling reform?"

"Not at all," answered the young stenographer. "Many a man would be writing his own letters if he knew how to spell all the difficult words."

Accuracy Meilicke Efficiency





The Method of To-day



The progress of civilization is measured by the development of methods. Prehistoric man reckoned by the notched stick and string of shells. Century followed century developing slowly the graven record and abacus of The East. With the inventing of printing, "figgering" by means of charts and tables was made possible. For generations there was no farther advance.

The insistent, urgent demand of To-Day for time and money saving methods has produced

The Meilicke Calculator

The Crowning Achievement In Efficient Computation

The methods of an earlier generation will not meet modern requirements. Old, makeshift tables and charts are expensive. Present conditions necessitate the elimination of time and money-wasting systems and require every possible reduction of overhead expense.

Searching tests made by our customers, prove that Meilicke Calculators save from 40% to 70% over any other method. The evidence of these remarkable savings is that the

- **American Express Company now uses over 12,000 Meilicke Devices.**
- **The Western Union Telegraph Company has recently purchased 500 Pay Roll Calculators.**
- **The Western Electric Company installed 100 Meilickes for three do the work of five other machines.**

For literally hundreds of purchasers the economy, accuracy and speed of Meilicke Calculators has resulted in reduced cost of equipment, reduced cost of clerical help and increased volume of work accomplished. Savings in dollars and cents amount to thousands.

What others have proven you may benefit by, for there are various types of Meilicke Devices designed specifically for

Computing Pay Rolls
Piece Work Calculations
Invoice Extending
Cost Estimating
Discounts and Commissions

All answers are pre-calculated and ready to read instantly. Cards are loose-leaf and *lined with linen*. The visible index tabbing system makes operation so extremely simple, the most inexperienced clerk can handle responsible computing work.

Free Trial

Give us an opportunity to prove to you that the Meilicke way will save you time and money – will cut down your overhead. Write us the nature of your computing problems. We'll send you for trial the style Calculator adapted to your requirements.

Meilicke Calculator Company

Makers of Time and Money-Saving Efficiency Devices
L-354 North Clark Street Chicago

Meilicke Says "A PROBLEM ONCE SOLVED CORRECTLY IS ALWAYS SOLVED"

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DAYLIGHT ATTACHMENT

Better light means better eyes—better work. Emeralites add tone and increase the efficiency of any office. The cheapest eye insurance you can buy.

Write for booklet showing 50 patterns

SOLD BY OFFICE SUPPLY AND ELECTRIC DEALERS

H. G. McFADDIN & CO.
43 WARREN ST. NEW YORK
Makers of Lighting Devices Since 1874.



EMERALITE

60c—1c=59c SAVED



Don't discard your old typewriter ribbons. New ones cost 60c apiece—old ones can be made as good as new at a cost of one cent each. Save 59c on each ribbon by using a

QUALITY Kalco RE-INKER

Model 10 is a compact machine that will quickly and efficiently re-ink ribbons used on Underwood, Remington, L. C. Smith, Elliott, Fisher, Oliver and Victor Typewriters.

Tell us what make typewriters you use and the color of the ribbons and we will send you one of these money-saving machines subject to thirty days' trial. They are saving money for hundreds of others and will save money for you.

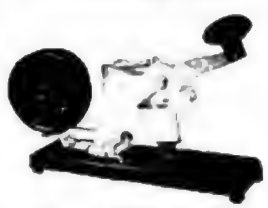
Price $10.00, including can of ink sufficient for 100 ribbons.

SHALLCROSS COMPANY
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HALCO Machines for re-inking multigraph ribbons are used everywhere

Eveready Paper Fasteners

"One on Every Desk"



Model "D" Eveready Paper Fastener

are rapidly replacing pins, clips, and old-style stapling machines. Representative Business Houses and Industrial Establishments in all parts of the world, after careful tests, have added an "Eveready" to the equipment of every desk where a stapling machine is required.

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Headquarters for the United Kingdom
Mather Todd & Co., Ltd., 153-155 Oxford St., London, W. 1., England

"NO OFFICE COMPLETE WITHOUT AN EVEREADY"

Round Pegs in Round Holes

(Continued from page 17)

good. In the first case he will be coached at his work, trained in one of the two Jordan-Marsh schools, "talked to" by his supervisor—or, if he proves impossible, dismissed. But only the employment department, which made him a fellow-worker in the first place, may dismiss him; specifically, only the employment manager, Mr. Fairclough, is clothed with authority to discharge.

"About the hardest thing a fellow-worker can do," one of the supervisors said, "is to get fired."

On the other hand, the fellow-worker may be abnormally good. He may progress in ability and in value to the store too rapidly for the salary schedule that has been set on his job. This, too, is a matter brought automatically to the attention of the supervisor through one of the specially-colored tickler cards that indicate all manner of contingencies in personnel. And the supervisor sees to it that another job is found—or made—that will be big enough for the rapidly advancing fellow-worker and that will give him room to grow.

Meanwhile—and all the while—he will have access to a bonus. In selling jobs, bonuses are based on quotas assigned to individual fellow-workers in proportion to the amounts of their salaries. For the establishment of each quota the department in which the person is employed is used as the base. First there is fixed the normal ratio between the total of salaries in the department and the department's sales as determined by averages over a period of five years. Thus, if during the past five years the department's total of salaries has averaged, say, $250 a month, and if the average total of sales per month over the same period has been $5,000, the basic ratio of salary to sales is established as 5 per cent. Then, if the fellow-worker's salary is, say $25 a week, his weekly sales quota will be that figure of which $25 is 5 per cent, or $500. On the excess of his weekly sales over his quota he receives a bonus, the rate varying between 2 and 3 per cent, depending upon the kind of merchandise he is selling. On non-selling jobs, bonuses are based on production quotas established by time studies.

Attendance in either of the two schools—one is for office training and the other for instruction in salesmanship—is not compulsory upon all fellow-workers. But in both schools, and particularly in the school of salesmanship, the courses of instruction are so attractive because of their very apparent value that neither school ever wants for pupils.

In the salesmanship school novices are trained in the operation of cash

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registers, cloth-measuring machines and other mechanical devices used in their selling work, initiated into the mysteries of the sales slip and introduced to those phases of the plans and policies of the store that will affect them. For the more advanced pupils there are courses in English, the niceties of salesmanship, textiles, color and design as applied to merchandise.

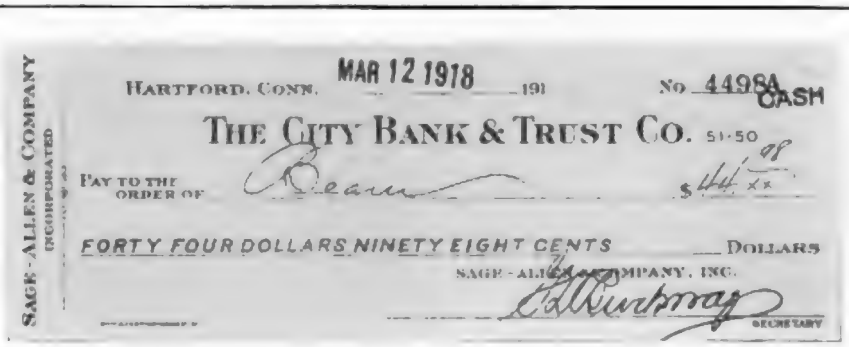
On its side the office training school really performs a three-fold function: It serves as a means of examining newcomers in the matters of reading, writing and arithmetic and thus of weeding out the "impossibles"; it carries forward the training of those who desire to become more proficient in their present work; and, by fitting the ambitious to handle the work of positions above them, it helps materially to carry forward the process of understudying the jobs. The school itself is directly understudying forty-eight of the 319 different jobs or classes of office work in the store.

Every day there is made up a summary of the day's changes in personnel. For each of the four major divisions this summary shows the number of persons who have been employed and the number who have quit their jobs on that day; the number—and names—of individuals who have been transferred from department to department; and the number of jobs that are vacant and waiting for incumbents.

For Employment Manager Fairclough that daily summary constitutes an indicator of the personnel conditions of the entire store. It shows, for example, departments and sub-departments in which the labor turnover is threatening to run too high.

"When we find such a condition," Mr. Fairclough explained, "we get busy and ascertain the causes. We go out into the store, find the trouble, and, if possible, remedy it at once. Sometimes it's a simple matter, like heating, or lighting, or ventilation. Sometimes it's something more complex, such as the organization of the jobs in a department, the relations between the head of the department and the subordinates, or even the relations among the subordinates themselves. But whatever the trouble is, we get to the bottom of it and do at once whatever is possible to remove the cause."

No fellow-worker leaves the employ of the Jordon-Marsh Company without being questioned for the reason. The various reasons assigned are tabulated and these tabulations are assembled and embodied into charts. Comparisons of these charts reveal some interesting and enlightening facts. They show, for instance, how the seasons of the year affect the causes that impel department store employees to quit



It "Stumped" the World's Master Forger

This genuine check for $44.98, issued by a big department store rated "AA1," was potentially worth thousands.

It was mailed to a Brooklyn wallpaper firm whose mail box was looted by confederates of a celebrated forger, head of a gang active for 15 years, and well known to the police, but who has eluded conviction.

The "master mind" of forgery raised many of these stolen checks that had been mailed by merchants in various States, to thousands of dollars. Then he tackled this one, applied acid, and changed the Brooklyn firm's name to "Bearer," so skillfully that no trace whatever of the original name and date remained. But he had to stop at the "shredded" two-color Protectograph amount line, and realized only the paltry $44.98.

EXACTLY FIFTY ONE DOLLARS SIX CENTS

This is the famous "shredded" two-color line of the Protectograph Check Writer. Had the above check been written on Forgery-Proof PROTOD, the forger couldn't have changed even the name.

An "Ex" master-forger, that the police *did* catch, who is now in State Prison, has exposed some secrets of the trade in a little book called "Scratcher Sends a Warning." We will send it free to responsible executives only. Enclose letterhead or card showing business connection.

Todd Protectograph Co., 1179 University Ave. Rochester, N. Y.

(TRADE MARK REGISTERED)

(ESTABLISHED 1899)

World's largest makers of check-protecting devices and forgery-proof checks

Protectograph Anti-Forgery System

Todd Protectograph Co., 1179 University Ave., Rochester, N.Y.
FREE: Send the Scratcher Book and details of the Protectograph Anti-Forgery System.
NAME
Enclose business card or letterhead.

ADVERTISING AND ADDRESS
STICKERS

Our Stickers grasp attention and interest. Our designers constantly produce novelties that are inexpensive business-getters. Whether it is a big or little order, we give it an expert touch that makes our Stickers distinctive.

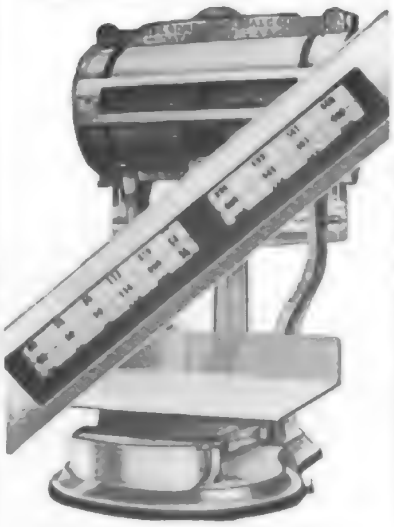
We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
1627 WASHINGTON AVE.
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DAYTON MONEYWEIGHT PARCEL POST SCALE
No. 145
Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.
326 WEST MADISON ST., CHICAGO
Sales Distribution

their jobs; rather, they show how these causes change with the seasons.

Charts for the first two quarters of 1920, for instance, show contrasts in the matter of causes. Thus, for the first quarter of the year, the causes, in the order of the numbers of times each was assigned, ranked as follows:

Temporary ill health (less than one month)
Not satisfied with work
Not satisfied with salary
Better jobs in prospect
Home reasons
Permanent ill health (more than one month)
Leaving city
Returning to school.

But the line-up changed for the spring and early summer months of April, May and June. Temporary illness dropped to third place. Something—possibly it was "spring fever"—gave first place to dissatisfaction with salary. For the second quarter the relative positions of the causes were:

Not satisfied with salary
Temporary ill health
Not satisfied with work
Better jobs in prospect
Leaving city
Home reasons
Permanent ill health
Going back to school
Unable to get along with superior
Enlistments
Unknown.

So much for methods and charts and statistics. But these are methods and charts and statistics that deal with the most human thing in the world, humanity itself. And so there is a human side to this story, as well as what might seem to be the side that is merely methodical and mechanical. It has been realized in the Jordan-Marsh organization that personnel work along big-scale lines might tend to become too much personnel and not enough personal. And so personnel system has not been permitted to squeeze out personality.

No fellow-worker in the store need wait for his case to be brought automatically to someone's attention through the medium of a blue card or a buff one or a salmon-pink one in the tickler file on a supervisor's desk. The colored cards are there to insure him that, whether he brings it up or not, his case will be considered at regular intervals. But, between those intervals and at any time, he is at liberty to take his initiative between his teeth and see about the thing himself. He can go up there to the employment offices on the seventh floor and bring up his own case, before anyone from the employment manager down.

Similarly, no supervisor need wait for the appearance of a blue card or a green one or an orange one in a tickler file to look into a specific case. He,

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Send for this Free 118 Page Book. It tells how you can gain a thorough knowledge of law in your spare time, as 40,000 others are doing. Splendid opportunities in the profession of law. Business today needs law trained men. Free book gives experiences of successful law trained men, and tells how you can read law under guidance of Ex-President Taft and 80 other eminent authorities.
Blackstone Institute
Dept. 2109, 608 S. Dearborn Street, Chicago

THE X-RAY LINE
Better Bookkeeping Equipment

¶ A high-grade line that embraces everything required in the modern accounting system.

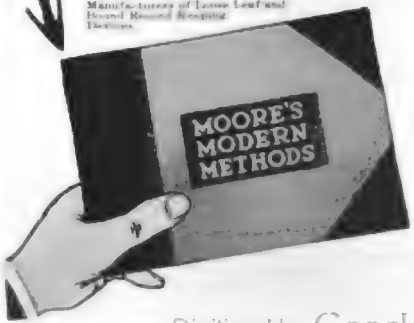
¶ Special feature binder equipment—labor-saving indexing systems—quality materials and workmanship, place this line in a class by itself—*just a little better than others.*

¶ We furnish everything you need for the successful handling of your accounts and business records. Blank books and Loose Leaf Forms. Binders and Filing Equipment. Machine Accounting Ledger Systems and Supplies.

¶ Let us co-operate with you in securing the bookkeeping supplies you require. The knowledge we have gained by years of experience is at your command. Efficient service direct by mail.

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ACCOUNTING EQUIPMENT OUTFITTERS
CEDAR RAPIDS, IOWA, U. S. A.

FREE BOOK
This book contains 144 pages of practical information that is of exceptional value to everyone interested in record-keeping for office, factory, store or bank. Illustrates and describes 40 different record-keeping forms.
Moore's Loose Leaf System
is the standard system of record-keeping in more than 200,000 offices.
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or she, can look into the case at any time and follow it up and talk about it with the fellow-worker or his department head at any time. And that, indeed, is how the supervisors spend most of their time.

There is a certain abbreviation that finds its way right frequently into the Jordan-Marsh personnel records. It's this: "Spec." It means "special." Frequently "Spec." is the only way out in recording on a single line on a five-by-eight card something that would make a plot for a book.

Miss M. M. King, the junior supervisor, has under her guardianship some 200 persons, mostly girls, between 16 and 19 years of age. She finds frequent use for that abbreviation, "Spec." Probably it would pay the Jordan-Marsh Company to have it put on a rubber stamp for her.

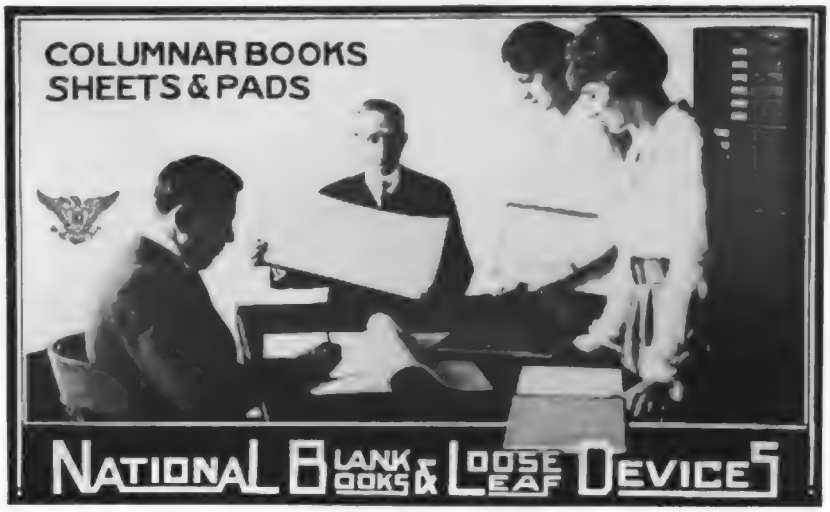
"You know," said Miss King, "a girl of about seventeen *can* be just about the most puzzling creature in the world. I've had them come in here, work in the store for a month, and in that time develop the most surprising characteristics you could imagine. The other day I talked with a newcomer who impressed me as being as shy and demure as Pollyanna. When next I saw her, out in the store, she had plucked her eyebrows and bobbed her hair. You know how bobbed hair looks when someone who doesn't know how tries to 'fix' it. I told her how to 'do' her hair to hide the fact that it had been bobbed and I impressed it upon her that in their styles of dress Jordan-Marsh girls are not to emulate the movie vamps.

"That was just typical of the cases that come up every day. Girls get wild ideas and have to be talked out of them. They have troubles and worries at home that have to be adjusted. They have ambitions and aspirations that must be respected. Their health must be conserved, and often they must be told how to conserve it. All manner of things come up and all sorts of circumstances must be met. My job is to keep the juniors—for it is to the juniors that we are looking for our future department heads and executives—and to keep them we must keep them healthy, happy and contented."

And there, Miss King might have added, you are.

Saving the Holes

Commissioner C. B. Connelly, of the Department of Labor and Forestry, Pennsylvania, says the United States Bureau of Engraving and Printing is actually saving the "holes" resulting from perforating postage stamps. Four barrels of these tiny disks are collected every day and sold to pulp mills.



**"Columns to Right of Them"—
Ditto to Left of Them**

These multi-column rulings are offered in single sheets, perforated pads and bound books. The columns run from 2 to 36, variously arranged. They are used in cost accounting, business analysis, auditing, and permanent record making. For the majority of uses alike, they stand as the most convenient and economical investment in the entire range of blank books.

The National Columnar Sheets are clearly and accurately ruled on excellent paper. The pads have strong press-board covers, and the books have stiff backs, covered with black cloth and Red Texhide. Whenever you want "something in the way of a blank book" have your stationer show you National Columnar Books.

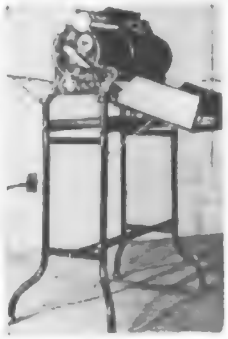
Send for free copy of "GOOD FORMS FOR RECORD MAKING," showing hundreds of ready-ruled and printed forms for accounting.

NATIONAL BLANK BOOK COMPANY

25 Riverside HOLYOKE, MASS.

Rebuilt Multigraphs at Half-Price

Latest Models **Rebuilt-Like-New** **Guaranteed Two Years**

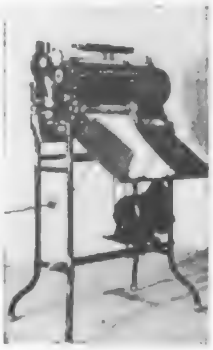


$520 Number Four (new) - $250 (rebuilt)

Includes the $500 current, No. 4 Model and $20 Stand. Complete type equipment (brand new), 2 segments, tools, supplies, ribbons.

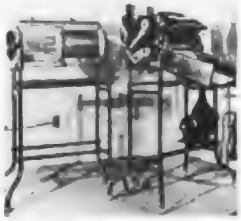
$865 Complete Unit (new) - $405 (rebuilt)

Includes the $520 No. 4 outfit, and in addition the Automatic Feed, Power Drive (right motor for your current) and Printing Attachment.



$975 Senior No. 36 (new) - $525 (rebuilt)

Includes the Multi. Senior Printer with the automatic platen release and a separate Compotype automatic typesetter both on stands. Also the Power Drive, Automatic Feed and Printing Attachment.



Guarantee

Our Multigraphs guaranteed to produce finest quality work or money refunded. Guarantee to renew free any part that wears or breaks within 2 years (only exception natural wear on type).

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LINCOLN BLDG., PHILADELPHIA

Safety—

together with a neat, dignified check



YOU need not worry about your checks being raised, if you use Manco Safety Tint background on them. Any tampering with the name or amount, whether written with pen or typewriter, will erase the tint. This erasure cannot be hidden—it clearly spells tampering, *and will not be honored by a Bank.*

Manco Safety Tint is the result of many years of experimenting and we believe that it is now the best and the safest for checks.

The Manco Safety Tint can be made to reproduce your monogram, building or any design you may desire. Such a background on your check, done in soft color, lends quality and dignity which are very marked.

Specimens and designs gladly submitted.

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving—Office Stationery and Supplies

WILLIAM MANN COMPANY

PHILADELPHIA

FOUNDED IN 1848

New York Offices: 261 Broadway

THE FIRST NATIONAL BANK of Portland, Me., is using a Lithographed check with the Manco Safety Tint background. A neat, up-to-date check and at the same time a protection to them and their patrons.

Wise Men of the West

(Continued from page 11)

Tacoma, where he placed them in a warehouse for safe-keeping.

Thus, while the Brown & Haley factory began turning out the bright-colored sugar sticks in Totem Pole wrappers, 100 sticks to the package, letters were going out to hundreds of retailers in the country, containing this sentence: "In addition to elaborate window trims, we have a few large totem poles, ten to twelve feet high, which we will loan you for introduction purposes."

"Totem Poles—The Candies that Charm," were on their way, pushed by atmospheric advertising. It was stolen Seattle atmosphere, to be sure. But the Tacoma firm of Brown & Haley had redeemed its reputation for "casting bread upon the waters."

"It's going over big," said Haley.

I asked him which he considered of greater importance in distributing his goods—personal salesmanship or his advertising campaign. His answer was somewhat evasive.

"You can't sell your goods without the personal element," he said. "But on the other hand a salesman can't get very far without the power of the advertisement to back him. A business without advertising is like a man who winks at a girl in the dark: he knows what he's doing, but she doesn't."

Doubtful "Bargains"

"Sugar, 5 cents a pound."

Advertisements headed in this manner will not be published by Detroit newspapers again, as a result of an investigation by H. C. Dart, secretary of the Better Business Bureau of that city, according to a bulletin from the Associated Advertising Clubs of the World.

Mr. Dart bought one of those sample "bargain sale" offers from a Chicago grocery mail-order house, and compared the statements in the advertisement with the facts. He found:

1—That the prices which the advertisement said were being obtained by local grocers were untrue. No such prices were asked.

2—That the qualities described in the advertisement were exaggerated, except where standard products were mentioned, in which, of course, only the name of the product was used.

3—That the statement that Detroit people could save money was untrue.

In connection with the third finding, Mr. Dart showed that when the price of a sample order was added to the express charges the price of the order was 70 cents higher than the total price asked by the highest priced Detroit grocer consulted, and $1 higher than the lowest priced Detroit grocer.



Direct Name
Filing System

This girl can find or file a letter in six seconds!

SOUNDS almost impossible doesn't it? Yet speed and accuracy such as this are commonplace in offices equipped with the "Y and E" Direct Name Filing System.

To set a new standard for filing speed we made scores of tests in business offices where this system is used.

The average "filing or finding" time in the first 47 offices tested was less than ten seconds! Some of the clerks were green, some were experienced. It made little difference in the results.

The elemental simplicity of this system which makes it swift, also makes it very easy to understand.

A telephone call will bring a "Y and E" System Service man to demonstrate the "Y and E" Direct Name Filing System in your office.



The "Y and E" Direct Name Filing System is speeding the finding and filing of letters in this conveniently equipped office of W. J. Holliday & Co., Indianapolis.

Write today for your copy of our new book "Finding and Filing in Less than Ten Seconds."

YAWMAN AND ERBE MFG. CO.

Filing System Service, Equipment and Supplies

1206 St. Paul St., ROCHESTER, N. Y.

Branches, Agents or Dealers in all principal cities.

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Fenton Labels and Seals STICK

YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

Let us supply you with Fenton Labels and Seals. Write us for prices and catalog.

FENTON LABEL CO., INC.
806-812 Race Street
PHILADELPHIA, PA.

TURN THE TABLES

on the time wasters in your plant by checking their work with

The Automatic Time Stamp



Send for sample cost tickets and complete data

Received
Answered
Approved
Paid
Started
Finished
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It puts 40 minutes into every working hour makes lagging speeding boosts production and profits. An Automatic Time Stamp in your business will save you money.

GET OUR FREE FOLDER

The Automatic Time Stamp Co.
141 Congress St., Boston, Mass.
"Originators of the Art of printing time automatically"

AT LAST!

BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads
1000 Billheads and
1000 Statements

ONLY $12.85 for Lot

1000 Letterheads & 2000 Billheads $12.85
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RAND McNALLY COMPANY

Dept. A-1 B. G. Boyle, Editor Chicago, Ill.

POSTAGE

The 25c monthly magazine that tells how to transact business by mail—Advertising, Selling, Collecting, Catalogs, Booklets, Circulars, Letters, Office Systems, Money Saving Ideas. Since 1916 the official magazine of The Direct Mail Advertising Association. 6 months $1.00; 1 year $2.00.

POSTAGE - 18 East 18th St., New York City

A Business Founded on a Bet

By NORMAN BEASLEY

A *FIVE-DOLLAR BILL*, given half in jest and half in earnest, furnished the idea which has culminated in the Michigan State Auto School, of Detroit.

The incident occurred back in 1911.

A. G. Zeller, now president of the school and the man who is responsible for it, was then struggling along in the garage business. Flat on his back under a car one afternoon, he was hailed by a passing friend.

"Hey, Art, I just bought an automobile and I've got to get somebody to teach me how to run it," called the friend.

"I'll show you how," answered Zeller, as he started to crawl out from under the battered machine which he had been repairing.

"How much?" cautiously asked the friend.

"Nothing."

"You're crazy—your time is worth something," insisted the friend.

"All right—five dollars then."

Back in 1911 were days when five dollars was a lot of money. An income tax was unknown and there were no war taxes. The friend protested that the price wasn't "fair."

"What good's the car to you if you can't run it?" argued Zeller. "I'll teach you how to run that thing, and I'll teach you right."

"Well, darned if I'll let you teach me for five dollars—I'll tip you that much; it'll go better," responded the friend.

"Wrong again," declared Zeller. "It's no tip, it's wages."

The argument ended. The friend paid over the five dollars. He learned to drive.

He was so pleased with himself that during the next week he sent in a couple of his friends. Zeller maintained the price of five dollars, and then began to think of taking this thing up as a business. Automobiles were fast coming into popularity, and the mechanic saw possibilities. Putting up a sign in front of his garage, he announced the new venture. Customers came. The idea widened.

One day Zeller came to a decision. He had collected a mass of statistics regarding the automobile business, and he figured it as one of the big industries of the world. He decided that with such a tremendous industry there would be a correspondingly tremendous demand for mechanics. The thought of teaching men to become mechanics was one he had dwelt on. He decided to put it into action.

Calling in two of his brothers, he

Are Stocks a "Buy?"

Is it time to get in on the next broad rise in stocks?
How about the money situation?
What about bonds?

Babson's Reports

Babson's recent Bulletin gives you the plain, unbiased facts on the present situation, and forecasts coming conditions with remarkable accuracy. It contains information of vital importance to every investor.

REPORT ON REQUEST

This Letter and Booklet, "*Getting the Most from Your Money*", will be sent to interested investors, gratis. Clip out the Memo—now—and hand it to your secretary when you dictate the morning's mail.

Merely Ask for Bulletin M-42

The Babson Statistical Organization
Wellesley Hills, 82, Boston, Mass.
The Largest Organization of its Character in the World.

CLIP OFF HERE

MEMO For Your Secretary

Write Roger W. Babson, president of The Babson Statistical Organization, Wellesley Hills, 82, Boston, Mass., as follows: Please send me a copy of Bulletin M-42 and booklet "Getting the Most from Your Money", gratis.



BUY INK Not Water

Save At Least 400% On Your Ink Bill

Stop buying water at ink prices. Adopt—

KVALE'S INK TABLETS

Each tablet makes 1 oz. of ink.

COLORS: Blue-black, Blue, Red, Purple, Green

No acid to corrode pen-points. No gum. No sediment. Free flowing. Ideal for fountain pens. Our process of making Kvale's Instant Ink Tablets is the same as fluid-ink method, except that instead of adding water we compress the ingredients into tablets, and furnish them to you in a clean and convenient form, and you add the water.

No trouble with freezing or breakage. No loss from evaporation. Keeps indefinitely. No freight to pay on water.

Kvale's Acid-Proof Ink Powder

Makes an ink that is guaranteed to be indelible, acid-proof, fade-proof, and water-proof. Keeps forever. Non-acid. Will not corrode pen points. A perfect writing fluid, especially recommended for checks, notes, deeds and other valuable documents. Is ideal for bookkeeping. Unexcelled for fountain pens and general purposes.

ASK FOR QUOTATIONS

JOHN KVALE INK COMPANY
Suite 1021, 8 South Dearborn St. CHICAGO

$100,000 Sales by Mail

At surprisingly low cost. That is what one Detroit client secured through my advice on how best to use business letters. Tell me what you sell and let me show you, without obligation, an economical way to build up sales in quick time.

EDWARD H. SCHULZE

Acknowledged the foremost authority on business producing letters. Over 3,500 satisfied clients since 1912

220 West 42nd St. New York City

outlined his plans. They politely told the planner he was crazy.

"Who'll pay to learn to fix up an automobile when they can go into the factories and get jobs?" they asked.

But A. G. Zeller persisted. "They can't learn about all makes of machines by working in one factory," he argued. "I figure on teaching them everything—and if we can get the co-operation of the automobile factories so much the better."

But those two brothers continued to blow cold on the proposition.

They set up the argument that a man wouldn't pay to learn something when he could get paid for learning it.

"I know what I'm talking about," A. G. retorted. "I'm going through with this thing and if you fellows don't want to come in with me I'll swing it myself. I'm through talking; from now on I'm going to work."

And work he did. He worked so hard that today he has a school which has an enrollment of 1,400 students—what he declares is the largest school of its kind in the world. The school covers more than a city block, almost in the heart of Detroit's uptown retail district. Plans have been drawn, and a site has been purchased, for a new school to cost $2,000,000. Zeller annually spends considerably in excess of $100,000 in advertising, and his graduates have gone all over the world. They are in demand in automobile factories, in garages everywhere—and the game is one of his own making.

He has to deal with thousands of men, young and old, each year. The course lasts approximately three months, which means a continual turning over of students. The attendance is always in the neighborhood of 1,400, this being the maximum number that can be really accommodated. He has a welfare department. This department looks after the home life of the students. If a student comes from Minnesota, or California, or some other state far away, and if he is without friends, it is the business of the welfare department to see that he is properly looked after. If he needs money at any time after his entrance it is the business of this department to see that he gets it. If the student is unable to return the loan until after he is out of school and at work, he can make satisfactory arrangements.

The ages of the students range from 17 or 18 years to 60.

"The student who makes the best mechanic is, as a rule, the boy from the farm," declares Zeller. "These boys appear to take a greater interest in their work. As a rule the boys reared on the farm are more frugal, and more willing to work. They have the habit of getting up early in the morning and getting things done. The



Modern Competition Will Not Compromise With Mismanaged Details

Time spent in walking when message can be phoned, is a mismanaged detail. It is wasted time—wasted money. Modern competition demands quicker action, less confusion, less delay. The installation of the efficient

STROMBERG-CARLSON
Inter-communicating Telephone System

goes a long way to meet modern competition because it does much to save time. Every department in office or factory can be within arms' reach. Simply push one button *once*. No operators required; no switchboard. Individual circuits to every department make the most important conferences possible by telephone.

Simple to install—easy to operate—convenient and economical.

Send coupon Today for interesting information and our booklet "Why Walk?"

Stromberg-Carlson Tel. Mfg. Company
Rochester, N. Y.

Dealers and Installers in all principal cities.

Stromberg-Carlson Tel. Mfg. Co.,
Rochester, N. Y.
Please send me booklet "Why Walk?" and further descriptive matter.
Name
Address
Firm



A Time Saver for Important Departments

With the FAULTLESS Turning Post binder more work can be done with fewer motions. Oval-shaped posts release or lock the sheets in an instant. Sheets cannot slip. The simple, yet sturdy ratchet stands are adjustable and detachable. Other valuable features.

Write for Circular T. P. U.

STATIONERS LOOSE LEAF CO.
New York Milwaukee Chicago

Business Systems Limited, Toronto, Ontario, Canada, Manufacturers and Distributors for Dominion of Canada



WITH ANY TYPEWRITER
You can stencil an address in this
ELLIOTT INDEX CARD.
Then these cards will automatically address your circulars, statements and other business forms forever after—



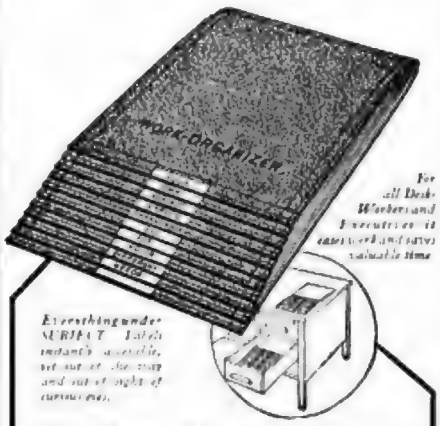
Send for our booklet "Addresserpressing"
The ELLIOTT CO.
143 Albany St. — Cambridge-Mass.

boys reared in the city have been spoiled. There is so much work to be had in a large city that it has bred a sort of don't-care spirit among its citizens. The country lad comes to Detroit. Naturally he is homesick. The bright lights and the crowds bewilder him. He wants to get back to the small town, and he works harder to put the job across. That means he is more interested in what we teach him, and he has less time for foolishness.

"Selling these students is not the easiest proposition in the world. The boys come here. Everything is strange. We check them in, and check them out just as the factories do—following, as much as possible, the routine of manufacturing institutions. This enables them to become accustomed to working under conditions that are to be similar to those they will encounter later on.

"Frequently a student, after paying his tuition, wants his money back; he wants to go home. Our job is to keep him satisfied.

"The minute a student shows signs of becoming discouraged, or a desire to break away, a welfare worker takes him in hand and chums around with him. He gets him over the rough spots, and the student begins to take an active interest in his work."



No More Littered Desks!
How to Keep them clear—*easily.*

Put a WORK-ORGANIZER on top and in the drawer of every desk in your office—and watch the piled up desks clear off as if by magic! WORK-ORGANIZERS solve the littered desk problem.

Our valuable 4-page bulletin "How to Organize Desk Work" tells all about it. Free with any Work Organizer, or by mail if requested on your letterhead.

To order Work-Organizers just mark quantity wanted opposite each style number below and attach ad to letterhead.

Give Work-Organizers — They please Office Men

"Steel Line" Black Seal Grain Fabrikoid cover. Paper inside. Flexible, durable, handsome.

			3 for
...	No. 330—10½" x 17", 6 pockets,	$2.50	$ 7.00
...	No. 332—10½" x 19", 10 pockets,	3.50	10.00
...	No. 334—10½" x 21", 15 pockets,	5.00	14.50

"Steel Line" Flexible, durable paper. These may be used on top of desk, but are recommended for desk drawer use.

			3 for
...	No. 730—10½" x 17", 6 pockets,	$1.00	$2.75
...	No. 732—10½" x 19", 10 pockets,	1.25	3.50
...	No. 734—10½" x 21", 15 pockets,	1.50	4.25

Other styles, size to $20.00.

Work-Organizer Co. 721 W. Gd. Blvd. Detroit, Mich.

New 1920 Model



DIAGRAPH YOUR SHIPMENTS

Simplicity, Speed, Endurance

Simplicity in construction because of correct design. Speed that meets the requirements of the world's largest shippers. Durability to last a *Business Lifetime.* These, plus new and improved features not to be found in any other machine, have made the DIAGRAPH famous with shippers everywhere for the past nineteen years.

There is a DIAGRAPH for every need; with the DIAGRAPH you can perform a broader range of useful work than with any other type.

Try It Before You Buy It

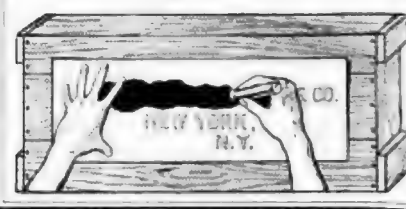
Prove to your own satisfaction, without expense, that the DIAGRAPH will avoid drudgery, error and delays in shipping—simply ask us to send a DIAGRAPH today, prepaid. Give it a thorough trial. If you like it, then buy it; otherwise return it at our expense.

Shipping Room Supplies

Stencil board, inks, brushes and other shipping room supplies can be bought at marked savings direct from our St. Louis office or from branch office nearest you.

DIAGRAPH STENCIL MACHINE CORP.
901 Clinton Street ST. LOUIS, MO.

Branch office in all principal shipping centers—see phone books



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A $4,000,000 Corner Grocery

(Continued from page 19)

For instance, we frequently buy whole carcasses of beef, and from them we get everything from boiling meat to tenderloin. We import giant Italian olives, import them by the hogshead and set the hogshead in the middle of the store for individual sales 'in bulk.' On a Saturday we sell a couple of hogsheads of those quality olives at a price that represents a fraction of what they would cost at a delicatessen store.

"Twice a week we put on 'specials' in the various departments, and on the day before we announce the prices in our newspaper advertising.

"We have thirteen departments—butter and eggs, poultry, tea and coffee, cheese, sugar, meats, delicatessen, groceries, bakery, fruits and vegetables, restaurant, coffee shop and cafeteria. Each of these departments has its own manager-buyer, who is responsible for his department's affairs. Each so arranges his work as to spend not more than one-half of his time at his desk. We want each of them to spend as much of his time as possible 'on the floor' in his department and in contact with the customers. Our buying connections have been established in such a way that it is necessary for our men to spend but little time on the road. Their places, we feel, are here in the store.

"And that just about describes our merchandising methods. On the personal side, in the relations between the management and the employees, we have gone, as we believe, a step beyond mere 'welfare work.' We have weekly meetings of department heads and at those meetings all manner of things come up. For example, no employee of any prominence is ever discharged until after his case has been heard and passed upon by the department heads at their weekly meeting. Not long ago the management thought it necessary to bring before the meeting the case of a department head. We—the management—felt that something should be done, but we were not in favor of dismissal. However, the weekly meeting heard the case and voted otherwise. The department head was discharged.

"Every employee, other than a department head, is paid a bonus amounting to a half-month's salary for six months' service and a month's salary for a year's service. Department heads receive bonuses based on the volume of business done in their respective departments, and in nearly every case the bonus constitutes an addition of twenty-five to thirty-three per cent of the department head's yearly salary.

"In this matter of humanics we have made some discoveries; for example,



Put this Money Maker in your Office on Trial

YOU CAN PRINT form letters, illustrated circulars, folders, notices, sales bulletins, statements, cards—you can increase sales, collect money and speed up your business in every department by the use of a Rotospeed Stencil Duplicator. And we offer to put a Rotospeed in your office at no expense whatever to you.

ROTOSPEED STENCIL DUPLICATOR

This simple, accurate machine will print anything that can be typewritten, handwritten, illustrated, drawn or ruled, on any size paper, from a 3 x 5 inch card to an 8½ x 16 inch sheet, without type or electros—without delays and almost without cost.

Used in YOUR Line of Business

The Rotospeed Stencil Duplicator is saving hundreds, yes, thousands of dollars for manufacturers, merchants, banks, churches, schools, hotels, and the United States Government. It enables one stenographer to do the work of fifty typists, turning out 75 letters a minute, striking copies a minute.

FREE TRIAL at Our Risk

We will send you a Rotospeed complete with full equipment and supplies for free trial in your own office. We will also send you an explanatory book that relates to your line of business and points out the Rotospeed way of multiplying. For the asking. Use it 10 days. If you are not entirely satisfied that you expect to get more than enough work out of it to pay for it in that time, return it at our expense. All the supplies you use in learning and practice of one hundred dollars.

Saves Its Cost in Ten Days

This machine will pay for itself before you have to decide whether you want to keep it or not. It will help you in securing new business, in stimulating salesmen to greater efforts, in collecting those past due accounts. It will help you to solve the problems of the present changing business conditions.

Only One Model $43.50 Complete



We only make one model of the Rotospeed. It does everything that a stencil duplicator can do. There are no accessories and no higher-priced models.

If all dealers will without the name and address of one

MAIL NOW

The Rotospeed Co.
435 E. 3rd St., Dayton, Ohio

Please send me, without charge, details of your free trial offer. I am interested in [illegible]

Name

Address

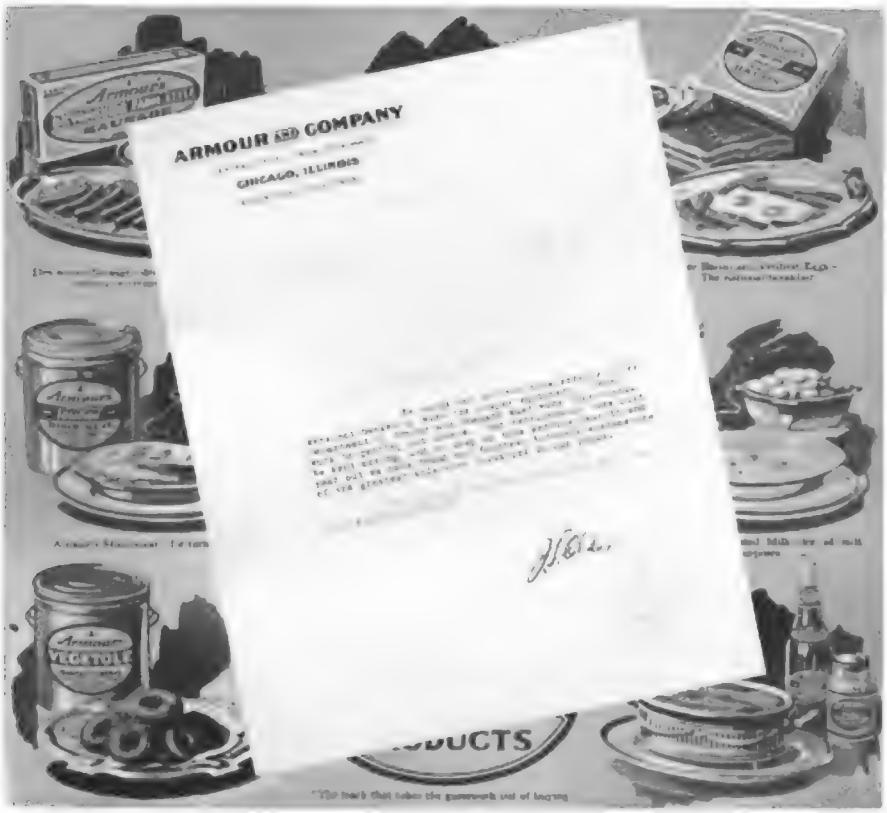
The Rotospeed Company
435 E. Third St. DAYTON, OHIO

"THE MECHANICAL FINDER OF MEN"

Conserves Time for Executives

Autocall

Improves Telephone Service



Perfect co-ordination is necessary in every establishment if the business is to move without a halt — the Autocall makes this possible.

Armour and Company gave Autocall a rigorous test with the result that Autocalls have been installed in all their plants.

Factories, stores, hospitals, schools, banks and offices indorse the Autocall. Let us explain it to you.

THE AUTOCALL COMPANY
210 Tucker Ave. SHELBY, OHIO (48)

ADJUSTMENT COMPANY OF AMERICA

(Incorporated, April, 1908)

affords Wholesalers and Manufacturers only a high grade efficient collection department. ¶ Implicit confidence in our ability and integrity enables our clients to eliminate waste motion. ¶ No form letters. No stereotyped methods. Nothing but action—prompt and forceful.

WRITE US FOR REFERENCES AND INVESTIGATE THEM

FIRST NATIONAL BANK BUILDING
CHICAGO

W. R. Mitchell, President

there is the all-important matter of motive. A few years ago I instituted the plan of giving a prize of $25 to every employee who would save $100 in a year. To my surprise, we found at the end of the first year of the plan that only about five per cent of the employees had qualified and were eligible for the prizes. But at the end of the second year, more than fifty per cent were eligible. I couldn't understand so big an increase coming so suddenly, and so I inquired around the store to learn the reason. One employee was frank enough to tell me.

"'You see,' he said, 'when the plan was announced at the beginning of last year, some of the employees thought it was a scheme to get a line on which ones of us deserved increases in salary. They thought that if they showed they could 'afford' to save $100 in a year, you'd say they didn't need any more money. So they held back. Then, when they saw that even those who had saved $100 in the year got increases, they were convinced that there wasn't any 'catch' in the thing.'"

At the foot of the stairs on my way out I narrowly escaped a violent collision with an energetic youth, earnestly hurrying to get somewhere. I deduced that he was one of the collectors that make regular rounds of the McCann departments, scoop the money out of the cash registers and carry it to the big safe upstairs in the offices. He carried a canvas sack, of about the capacity of half a peck. And the weight of what was in the sack, I had time to observe, pulled the energetic young man all sidewise.

Costly Economy

Motorists are warned against so-called "Gasoline Economizers" in a report issued by the national vigilance committee of the Associated Advertising Clubs of the World, which declares such "economizers" have no effect upon gasoline efficiency, but are, in reality, nothing more than colored moth balls.

The report quotes the United States Bureau of Standards, at Washington, with the statement that these moth-ball economizers have no appreciable effect in giving gasoline more "pep" and explains that testimonial letters used by the many manufacturers of such tablets result from the fact that along with the tablets the maker sends instructions concerning the adjustment of the gasoline supply for the motor.

It is a well-known fact, says the report, that most motorists use a richer mixture of gasoline than is really necessary for the proper operation of the engine, using such a mixture because the car will start with greater ease with a carburetor adjusted for a rich mixture.

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Simplifying Addresses

By TUDOR JENKS

EVERY TIME I address a piece of mail matter to some place in the city of New York and write, as the postoffice advises, "New York, N. Y.," it is with a sense of the absurdity that so much should be necessary to indicate what might just as well be told by a single symbol.

For it must be remembered that New York probably receives, daily, by far the larger proportion of the mail matter of the whole country, and that each piece bears at least "N. Y. City," and that even this briefest address, if carelessly written, is not fair to the postoffice department.

It should not be necessary to calculate the enormous amount of time lost in the aggregate by unnecessarily long addresses in the case of the great cities of the country. A moment's thought by any business man is enough to convince him of the saving of time, trouble and uncertainty that would result from a simple *permissive* announcement by the postoffice permitting one plain symbol to stand for each of the few greatest centers of population that, together, receive the overwhelming majority of mailed packages and letters. Even were it possible to shorten the present addresses by general agreement, though the shortening did not extend so far as I shall propose, the gain in economy and efficiency would be great and worth while.

Let us take the six cities of the United States exceeding 750,000 in population. They are, of course, New York, Chicago, Philadelphia, Detroit, Cleveland and Boston. Now these might be represented in one of two ways, either by letters or by figures. If by letters, every purpose could be served by using the following initials: N, C, P, D, Cl, B. If it were understood, and allowed by the postoffice, that these letters, when used alone, should indicate these six big cities the enormous saving is evident.

The use of numbers would, for many reasons, be preferable, especially as the regulation would be permissive, and letters would be delivered if addressed in full precisely as at present. But those who send large amounts of business material would learn the new method in a few days, if allowed to put the figure 1 for New York City, 2 for Chicago, and so on through the list. To prevent all confusion, it would be necessary only to put the figures in a circle, a circled five meaning Cleveland.

It is not argued that these two systems are the only possible ones, but it is argued that there would be great value in a permissive system whereby simplifying of addresses would be



Stenographers have a greater right!

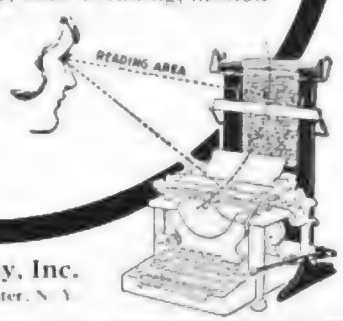
To physical protection, because of enforced side reading, than people who read ordinarily.

Their knowledge of shorthand is not all sufficient. No one knows better than you who employ them that

Clear, Concise Intelligence Fixes the Degree of Their Worth

To better protect the investment which you have made in each operator, acknowledge her right to sit erect and read naturally and your right to crisp results. Both you and the stenographer have selfish reasons for killing that time taking, back breaking, motion making, error producing habit of side reading.

Ask Line-a-Time ... the employer of more than ... operators have profitably learned.



The Line-a-Time Mfg. Company, Inc.
901 St. Paul Street Rochester, N. Y.



Model 2X

Work Without Fatigue

Stenographers do more and better work with less fatigue when they operate a typewriter at a height and angle suited to them. Office efficiency greatly increased and valuable space is saved by

The "Satellite" Typewriter Stand

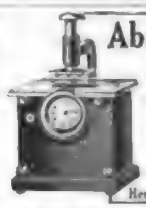
The "Satellite" is ... simple and substantial. Puts the keyboard where wanted allowing operators to assume ... Easily moved on casters. Saves space. ... Many ... operators ... Many types ... Endorsed by ... Get a "Satellite" direct from us. Guaranteed. Reasonably priced.

WRITE DEPT. B

ADJUSTABLE TABLE CO.
Mt. Vernon Street GRAND RAPIDS, MICH.

The Mail Order Method ... Opens up wonderful new opportunities ... Many ... Profitable, easy, work ... Learn ... at home ... Write for ... Full ... Free ... Over ... pages ... Send ... figures and ideas ... Booklet ... BRENISER, 337 B Walnut, Philadelphia





Absolute Time Records

Know to the minute when work restarted and finished, when orders are received and delivered, when letters are received and answered.

Kastens Time Stamps cost little, are built for long service, and work quickly, smoothly and accurately.

Send for catalog showing various styles with prices.

Henry Kastens, 422-424 W. 27th St., New York, N. Y.

$10 Brings This Latest Model L. C. Smith or a Remington **TYPEWRITER**



Thoroughly rebuilt in our factory by the famous "Young Process." Fully guaranteed. Easy terms. No interest. FREE TRIAL. We handle all standard makes. Write for details.

YOUNG TYPEWRITER CO., Dept. 41 Chicago

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Holds secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYTT LABORATORIES – Dept "T"
565 W. Washington Street, CHICAGO, ILL.

ADVERTISING SECTION

150 *from* 1



The 150th

You Can Make Economy Interesting

to your stenographers

Let them try to wear out a sheet of PANAMA ECONOMIC CARBON PAPER.

You will be interested too, when you know how PANAMA ECONOMIC will reduce your carbon paper expense.

150 Copies from 1 Sheet!

There is a Panama Service Station in your vicinity. Send direct to us for samples.

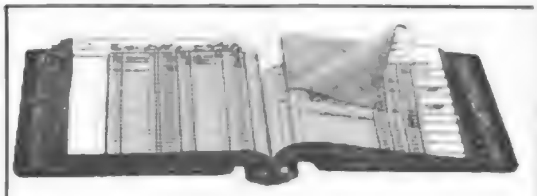
MANIFOLD SUPPLIES CO., *Manufacturers*

BROOKLYN, N. Y., U. S. A.

FOR NEAT CORRESPONDENCE—*LONG-WEARING* PANAMA RIBBONS

IF YOU RENDER ITEMIZED STATEMENTS

Examine This Combined Billing-Statement System Entirely At OUR Expense!



Money-Saving Cesco *Loose Leaf*

Monthly Statement System for Retail Dealers

DO not send us a cent! Just put your O. K. in the coupon, sign and mail.

We *know* once you have *seen* the Cesco Monthly Statement System, you will quickly appreciate there is no other method of billing so simple and effective. Think of it—with this system the Day Book or Journal is entirely *done away with*. No posting! No charges forgotten. Congestion at statement time *eliminated*. At the end of month all you have to do is to total up charges and tear off original statement used—and your statements are ready for mailing.

Yours, there's nothing like it. But YOU be the judge. We'd gladly ship the outfit to you on approval. That proves our faith absolutely! Now it's up to you. The coupon and your O. K. That's all that before you turn to page

THE C. E. SHEPPARD CO.

Manufacturers of Loose Leaf Devices and Systems

Long Island City, New York

Branches and Agencies Everywhere

Other Cesco Systems

Cesco Ready Made Accounting Systems, devised by experts and scientific, are suited to the needs of practically every kind of any business. Large or small. We list a few of the many in the coupon, but ALL are described in a series of Booklets, which will be sent upon request. *Put the Coupon to*

use letterhead and check the Systems that interest you most.

Then request will send you nothing, involve or obligate you in no way, but may give you *new ideas* and show you *simpler* and *less expensive* methods than you are now using.

Find Out NOW!

This Is Your *Coupon*

THE C. E. SHEPPARD CO.
Long Island City, New York

Gentlemen: The coupon has been O. K.'d, so you may ship the Cesco Monthly Statement System for 30 Days' examination to address on letterhead to which I assign it. This places the merchandise under no obligation. Send express prepaid, return transportation charges. Note: If you only want descriptive matter, do NOT O. K., but simply place a check mark in the space provided to the left of the item desired checked.

Order, Bill & Charge — Combined Cash & Journal

Commercial Analyzing Journal — Inventory & Stock Records

Bank Records — Real Estate Records

O. K. Here: Loose Leaf Ledgers — Sectional Post Binders

Name _____

Attach letterhead for complete address

allowed. If there is any really practical objection, it would be at least interesting to hear from the postoffice department, whose experts would be able to point out possibilities of confusion.

We already have in use a great number of symbols saving work, tending to quick understanding, to compactness, and to the ready despatch of business. Most familiar among these are 'Pd.' 'O. K.' 'C. O. D.' 'Acc.' and various forms of checking marks.

Even were the system to be adopted only for five leading cities, it would be simplifying the addressing and delivering of mail of more than ten millions of people, and those ten millions certainly receive much more than their proportionate amount of mail matter. For these five cities, at least, the letters, N, C, P, D, Cl, would be ample, though I think these should be circled. All this economy would become possible through a permissive order on the part of the postoffice authorities, and no one need use the symbol who preferred to write an address in the usual way.

It is evident, of course, that if the general idea was found good the extension of it is a mere matter of trial and adoption of symbols.

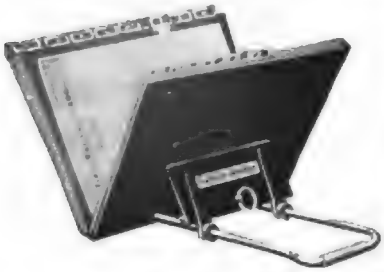
Catching Telephone Crooks

Immediately after the Western Union inaugurated its plan of making "every telephone a telegraph station" and taking messages by phone for which the toll would be charged against individual telephones, the telegraph company was obliged to devise a method to prevent advantage being taken of the service. Until some safeguard was applied it was possible for a person to send a telegram by telephone and charge the cost of the message against someone else—who hadn't authorized any such accommodation. So the Western Union adopted the plan of "calling back" every message received by telephone—of waiting a few minutes after the message had been taken and then telephoning to the phone number given. This expedient was found to beat the telephone crook of petty aspirations.

To checkmate another sort of telephone crook—a more practical-minded crook whose iniquitous ambition transcended the price of a mere telegram—the Emery-Bird-Thayer Company, a department store concern of Kansas City, Missouri, has adapted and adopted the Western Union's expedient.

This was the situation: The Emery-Bird-Thayer Company instituted a special delivery service covering the downtown hotel district of Kansas City. To cultivate the desirable patronage of the hotel dwellers, the

ADVERTISING SECTION



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Eliminates the possibilities of misplacing important letters or memo sheets. All current papers are classified so that they may be instantly located. Indexed to fit your needs by letters, numbers or words. Unsurpassed for Letters, Invoices, Requisitions, Back Orders, Follow-ups, Bills of Lading, Stock Sheets or any other matter that is likely to be needed at a moment's notice. Made in all sizes and indexed as desired.

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—Executives Must Know Procedure

By reorganizing a business into a corporation and a partnership one of our clients reduced his taxes from $25,000 to $9,000—a saving of $16,000. This is legal, right and proper. By readjustment of capital records another client saved $10,000. Millions of dollars were lost last year by tax payers through *ignorance of allowable deductions and exemptions they were entitled to.*

YOU—the executive who swears to the accuracy of your Tax Return — YOU — the auditor, accountant or bookkeeper who computes the Return — you *must know* Tax Procedure.

$5,000 Often Saved

We teach you how the various taxes *work together*—how to compute ALL the legal deductions. Executives taking our training frequently report savings of $5,000 to $100,000. Used in Standard Oil Co., Ford Motor, U. S. Rubber Co., U. S. Tire Co., etc.

IMPORTANT:— Tax problems have opened a new profession. Salaries and fees run from $5,000 to $30,000 a year. Attorneys, accountants, auditors, bookkeepers—any man with business training—can quickly qualify. Write for details.

Tax Book Send for our booklets, "The Income Tax Expert" and "Everyman's Income Tax". No obligation. They are *free.* Both booklets contain information of vital importance to every tax payer. Write *today!*

TEAR OUT AND MAIL THIS COUPON NOW!

U. S. Tax Law Institute

Dept. 2109 20 E. Jackson Blvd. Chicago

INFORMATION COUPON

U. S. TAX LAW INSTITUTE
Dept. 2109, 20 E. Jackson Blvd. Chicago

Gentlemen:

Without obligation please send me full particulars regarding your Tax Procedure Training Service.

Name

Address

.....

store made it convenient for them to order things by telephone and have the orders delivered at their rooms.

Then the professional crook and his female accomplice, who are never very far behind the trend of events, entered upon the scene. They operated in this way:

First it was necessary for them to learn the name and room number of some hotel guest—at the Muehlebach, for instance—who had been buying things by telephone and on credit at the Emery-Bird-Thayer store. This could be done easily in any one of a number of ways.

Then the woman would drop in at the Muehlebach, and, from the telephone desk in the lobby—this was done to make the call seem bona fide—she would call the Emery-Bird-Thayer store.

"This is Mrs. Roberts, of Room Four-fourteen at the Muehlebach," she would say. "I want to order some things and have you send them over right away."

Forthwith she'd order, the extent and value of her order depending upon the strength of her nerve and her opinion of what she could "get away with."

"We shall attend to it immediately," Emery-Bird-Thayer would say.

Then the woman would disappear from the scene, to be succeeded immediately by her masculine associate in crime; and he would loiter about the lobby, alert for the delivery of the package. In twenty minutes or a half hour a delivery boy from the Emery-Bird-Thayer store would arrive, but he would be met, before he could reach the desk, by a prepossessing man who would ask:

"Have you a package there for Mrs. Roberts, of Room Four-fourteen?"

"Yes, sir," the boy would say.

"Well, I'm Mr. Roberts," the man would explain. "I'm going up to the room. Just give me the package. I'll sign for it and take it up myself."

The simple scheme worked. Of course, neither the store nor the real Mrs. Roberts would know anything about the transaction until Mrs. Roberts was asked to pay for things she hadn't ordered and hadn't received. Results: Indignation on the part of Mrs. Roberts; explanations and apologies and hopeless chagrin on the part of Emery-Bird-Thayer. The simple scheme worked so well and so often that the store management evolved a method of beating it.

Telephone orders for the special-delivery service are received at a special desk by a young woman who handles nothing else. But now, instead of taking a telephone voice at its unseen-face value, the young woman at the desk "calls back" on every



Consideration for Employees

A new spirit pervades the industrial world. Closer co-operation is striven for. More attention is being given to the human side of production. The first step to make employees feel they are "part of the works" is to provide them with individual steel lockers in which to keep their belongings.

MEDART STEEL LOCKERS

Possess many points of superiority. Made of smooth sheet steel with welded joints and richly enameled. Adjustable legs. Three-point locking device. Fire and theft-proof. Units of various sizes to suit conditions.

Send for Booklet

It illustrates and describes various styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools, etc. Inform yourself. Get the facts. Clip and mail the coupon below.

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City State Age Position

Education? Any practical experience?

Have studied Accounting Where and how much?

Tact in Stationery Pays

Fit your stationery to the customer or client; flatter him with better than he is accustomed to if you please, but don't imply, by using that which is tasteless or cheap, that he too is tasteless and inconsequential.

We shall be glad to show you what we mean by fit stationery if you will write on your own letterhead.

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Steel and Copper Plate Engravers, Lithographers, Printers

1835 to 1845 East 23d Street — CLEVELAND, OHIO

KEEP RIVALRY KEEN

among your workers by visualizing their records on this Moveable-bar Chart.



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Send $1.00 for Big Trial Outfit

EDUCATIONAL EXHIBITION COMPANY

520 Custom House Street — PROVIDENCE, R. I.

ADVERTISING SECTION

telephone order; and she does this before she sends the order through to be filled.

When Mrs. Roberts—pseudo or real—telephones now from the Muehlebach, the young woman at the order desk waits a couple of minutes after she has taken the order and then calls Mrs. Roberts' room at the hotel.

"I just wanted to check your order to make sure there will be no mistake," the young woman explains.

"My order," says Mrs. Roberts. "Why I haven't ordered anything from your store today!"

Denouement!

And, of course, if it happens that the order was bona fide and that it came from the real Mrs. Roberts, no harm is done by "calling back," for the order clerk's explanation of "checking" the purchase satisfies the customer.

Where Harvard Is

In cultured Boston slangy advertising gets an unusual measure of attention—possibly because it's "so different." For instance, there is the advertising of Raymond's, a retail clothing store that uses full-page space and heavy-duty type to announce sales of merchandise purchased, in big lots, from other stores—incidentally paying its respects to other retail clothing stores in general. Raymond's advertising is not merely slang; it's slang compounded.

From a purely impersonal and nonpartisan standpoint, a study of Raymond's advertising would produce a very positive reaction—of some kind—in the mind of a technical advertising man; as a Raymond advertisement might put it, "this stuff would get a rise out of anybody."

Consider, as examples, these excerpts from a recent full-page Raymond advertisement—and bear in mind that they are offered merely as interesting specimens:

"How many merchants, highbrow or otherwise, do you think were in a position to bite off a chunk like this?"

* * *

"The manager (of Raymond's) don't know nuthin' 'bout proudstore methods and has and will continue to monkey with this business along common horse sense lines and sawmill ways."

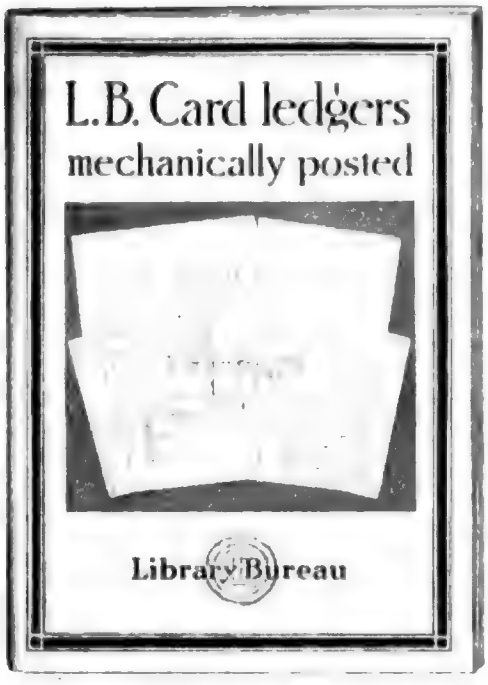
* * *

"If yer feel like it, yer might see all our Washington street windows full ofem, gaspiperacks full ofem, Philadelphia table full ofem, and all the other racks and tables we haven' named full ofem."

* * *

"There. I've told yer 'boutem an now do just as yer dampleeze."

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A book worth having—

It tells why the L. B. Card ledger has been adopted by business houses of every description.

It illustrates and describes a number of well-known installations. It shows a variety of forms and tells how they are used. It describes methods of handling the card ledger that have resulted in tremendous savings.

This book is of interest to every executive seeking better, quicker, more accurate methods of accounting. We shall be glad to send it to you—free—on request.

Write for "L. B. Card ledgers mechanically posted."

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Card and filing systems

Founded 1876

Filing cabinets wood and steel

Boston
43 Federal street

Albany, 51 State street
Atlanta, 102 N. Pryor street
Baltimore, 14 Light street
Birmingham, Vault Floor, Jefferson County Bank bldg.
Bridgeport, 989 Main street
Buffalo, 120-122 Pearl street
Cleveland, 244 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 303 Hubbell bldg.

New York
316 Broadway

Detroit, 63 Washington blvd.
Fall River, 29 Bedford street
Hartford, 75 Pearl street
Houston, 1116 Texas ave.
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Louisville (Ky.), 508 Republic bldg.
Milwaukee, 628 Carwell block
Minneapolis, 419 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 437-439 Oliver bldg.

Philadelphia
910 Chestnut street

Portland, Me., 665 Masonic bldg.
Providence, 72 Westminster street
Richmond, 1223-24 Mutual bldg.
St. Louis, 805-815 Arcade bldg
St. Paul, 181 Endicott arcade
Scranton, 408 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 401-407 Gurney bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N. W.
Worcester, 507 State Mutual bldg.

Chicago
6 N. Michigan ave.

Distributors
P. W. Wentworth & Co.,
San Francisco, 539 Market street
Seattle, 108 Cherry street
Oakland, 395 Thirteenth street
McKee & Wentworth,
Los Angeles, 440 Pacific Electric bldg.
Parker Bros.,
Dallas, 109 Field street
C. G. Adams,
Salt Lake City, 304-305 Ness bldg.

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BUSINESS

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Burroughs Adding Machine Company
Detroit, Michigan

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How do you store your records—?

THAT important statement was filed somewhere. Now it can't be found. It not only tries one's patience but it costs lots of time in searching.

Baker-Vawter Storage Units solve this problem. There are seven of them; they meet every requirement. Stacked one upon another they form a group that'll hold your cancelled checks; transferred cards; old savings pass books; your correspondence and transferred ledger leaves; all within reach of each other.

The Baker-Vawter Units mean more storage for the given floor space than any other filing system, wood or metal; they're attractive in appearance; operate easily; and are proof against dampness, dirt, vermin.

BAKER-VAWTER COMPANY

Originators and Manufacturers Loose Leaf and Steel Filing Equipment

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San Francisco, Calif.
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BUSINESS



VOLUME TWO
NUMBER FOUR

JANUARY, 1921

LUCIEN KELLOGG, *Editor*
S. D. R. SMITH, *Business Manager*

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Globe-Wernicke

"Structural Strength" Model

SAFE

With Underwriters' Label



This Safe combines the "*Old Line*" Standards of Strength, as developed in the Safe Maker's art for over a period of fifty years (i.e., *Structural Strength*), together with easy portability and also Heat Resistance, for which it has been awarded the "B" Label by the Underwriters' Laboratories. Concerning fire protection, if the safe is surrounded by highly inflammable material, the building itself will collapse long before high temperatures have been developed, and *Structural Strength* will have been required in the Safe more than heat resistance for its FALL PLUS THE CRUSHING LOAD OF A COLLAPSING BUILDING.

This Safe has the FOUR BIG qualities that you expect to find in a Safe—**STRUCTURAL STRENGTH**—to withstand a fall, plus the crushing load of a collapsing building. **FIRE PROTECTION**—to withstand fire and heat. **THIEF PROTECTION.** **SERVICE QUALITIES.**

It has been adopted by the United States Government. It has been tested and bears the Underwriters' "B" Label. It has the lowest Casualty Insurance Rate granted by the Burglar's Insurance Underwriters' Association.

In it any of the Globe-Wernicke Horizontal Filing Cabinet Sections can be fitted so that you can arrange any combination of files you desire. These filing cabinets are the best that money can buy and cost no more than the ordinary kind. *Our catalogue No. "8BB" explains all.*

Agents in All Cities

The Globe-Wernicke Co.

Agents in All Cities

CINCINNATI, OHIO

BRANCH STORES IN : *New York, Chicago, Philadelphia, Boston, St. Louis, Detroit, Washington, Cleveland*

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What Makes a Good Salesman?

By LEONARD H. ALLEN



"They had a 'spotter' following me around all day, making notes of what I said to my prospects and holding the watch on me"

WHAT I CAN'T understand," said my friend Frank Kane—Kane is a Pittsburgh city salesman for a big manufacturing concern with a nation-wide selling organization, and he and I were having dinner together in a Pittsburgh hotel—"what I can't understand is why, out of my company's selling force of about nine hundred men, they should pick on me."

"What do you mean—'pick on' you?" I asked.

"Why," said Kane, "they had a 'spotter'—some fellow named McIlvaine—following me around all day yesterday, making notes of what I said to my prospects and holding the watch on me to see how I spent my time. But listen—you should have seen me walk the legs off that bird! I gave him something to report!"

"I don't think you get the idea," I said.

"No," Kane confessed, "I don't. What *is* the idea? What's it all about?"

"Mostly selecting salesmen," I explained.

"Selecting 'em?" Kane demanded. "What's that got to do with me? Are they looking for a man to take my job?"

"Yes, and no," I said. "As your job is a typical selling job in your organization, they are looking for a man to fill it. Rather, they're looking for the qualifications of the man who is to fill your job of city salesman anywhere. They're establishing certain standards by which to select men for selling jobs throughout the organization. To them, you're not F. Kane, selling a city territory in Pittsburgh, but A Specimen, selling a city territory in a city the size of Pittsburgh. They don't care whether your name is Kane or Umbrella. You're just a case, one of many cases to be studied just as you are being studied."

"They don't care then, how I operate or how successful I am?" Kane interposed.

"Yes," I said, "they do care. In the first place, they 'picked on' you because you are a successful salesman—a typical, successful salesman of your company. Get the idea? They're not trying to set up a theoretically perfect salesman as a standard by which to measure men. They're sticking to facts all the way through. They're taking a concrete, specific, typical successful salesman, such as you are, and by studying you and a lot of other successful men like you in your company, they are piecing together the personal traits and the working methods that go to make up men who can make good in selling jobs in your company. Meanwhile and simultaneously, they are not overlooking the opportunity of this direct contact with you men in the field to help you improve your work. That's where the 'developing' of salesmen comes in. But that's more or less incidental. The selection idea comes first."

"And that," said Kane, "makes it more in-trick-et. You've been out there to the Institute. Suppose you start at the beginning and tell this thing to me all the way through."

I told him. And here I shall set down what I said, substantially as I told it to Kane over the dinner table in the Pittsburgh hotel.

Kane was right. The thing is "in-trick-et"—which is the modern way of saying "intricate". And the first part is historical.

Back in 1916, Edward A. Woods, president of the Edward A. Woods Company, a Pittsburgh insurance concern, called a meeting of representatives of a group of business organizations to organize a bureau that was to "go thoroughly and scientifically into the problems of selecting and developing salesmen and into methods in other co-ordinate branches of salesmanship." Thus was organized what was known as the Bureau of Salesmanship Research.

Dr. Arthur A. Hamerschlag, president of the Carnegie Institute of Technology, which is situated in Pittsburgh, had long been interested in making available to business men the results of scientific research; Carnegie "Tech" had facilities, in the way of a well-organized department of applied psychology, that were well adapted to

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carry on the work that was planned for the bureau. For these two reasons the Carnegie Institute was chosen as headquarters for the Bureau of Salesmanship Research; and the Institute, on its part, placed its equipment and the services of a number of the members of its faculty at the disposal of the bureau.

Last year the scope of the bureau's work was enlarged to include research and service in personnel work among non-selling employees; and, simultaneously with this change, the name was changed to the Bureau of Personnel Research. But constitutionally, the bureau is as it was in 1916. Officially, it describes itself thus:

"The Bureau of Personnel Research is an organization of business firms of national scope established in co-operation with Carnegie Institute of Technology to apply scientific methods in selecting and developing salesmen and in discovering the best types of salesmanship service. The bureau brings together the experiences of these firms. It works out and tests new methods in choosing and training their salesmen, their minor executives and clerical workers. It assists in planning and increasing the efficiency of personnel organizations.

"The most significant feature of the bureau is research. The outstanding purpose of its establishment is to make possible studies requiring patient and painstaking investigation. Such a program produces increasingly valuable results that no single firm is in a position to obtain independently. Membership is limited to thirty firms."

Twenty-eight nationally known companies now constitute the membership. The products and the stocks-in-trade of these companies range from such intangible things as insurance, advertising-agency service and electricity to such entirely tangible things as pickles, steel rails and motor cars.

Each of the member companies assumes these obligations: 1—to pay an annual fee of $1,000 toward the expenses of the bureau; 2—to make available to the bureau staff all necessary information regarding its sales force, minor executives and clerical employees; 3—to designate an official who will become familiar with the bureau's methods and co-operate in the research work by giving real trials to proposed methods of selecting and developing personnel.

On its part, the bureau aims to complete each year one or two major researches relating to the needs of member firms and to make available to the co-operating companies the results of these studies. The research program includes: studies of the selection, placement and promotion of personnel, chiefly salesmen; the preparation of tests for employees and applicants; the development of methods for preparing personnel specifications; analysis of personnel data collected by a member firm and comparison with similar statistics from other firms; the accumulation and analysis of currently published material relating to personnel methods, records and selling processes; investigation into results from the use of various forms of incentives; and the carrying out each year of a special program in each firm dealing with that firm's specific problems.

The research work, alone, constitutes a right healthy program. But, in addition to this, the bureau acts as a consultant in matters of personnel, trains at least five men each year as personnel specialists and makes them available for jobs with member firms, and stands ready to give special service to any of its co-operating companies.

The executive head of the bureau is Dr. Clarence S. Yoakum. Besides being director of the bureau, Dr. Yoakum is associate professor of applied psychology on the Institute faculty. Col. Walter Dill Scott, now president of Northwestern University, is the associate director. Under the direction of these two men the bureau has a staff of consulting experts, statisticians and field representatives and investigators.

The bureau operates as a department of the Institute's Division of Applied Psychology, and it is one phase of the Institute's application of psychology to business.

MUCH has been written about the psychology of salesmanship. But the psychology nearly always has been the psychology of the customer. The customer has been examined and studied and analyzed and charted and diagnosed. Until the Bureau of Personnel Research began to go into the matter, the customer had a virtual monopoly on all the psychology extant. The bureau is applying psychology to salesmanship, but with this difference—the psychology is the psychology of the salesman.

What makes a good salesman? Answer that question in detail as to qualities and traits and methods, and you will approach closely to an answer to the question of how a salesman should be hired—that's the bureau's creed of employing salesmen. In that belief, the bureau has worked out a standardized method of hiring salesmen.

It is a method, incidentally, that has the endorsement of the United States Army. In 1917, Colonel Scott, who was then director of the bureau and who, with the aid of his bureau staff, had developed the method, brought about the adoption of the plan for testing applicants and students at the officers' training camps. Uncle Sam tried it out and pronounced it good.

From time to time the technique has been changed in detail, but the general plan has been left unchanged. This, briefly, is how it works:

Suppose you are a sales executive. A part of your job—and a big part of it—is the hiring of salesmen. Today you need, say, four men. You have a dozen applicants available for those four jobs. Before you interview the first of the dozen, you make up a scale by which you are to judge them all. As the material that goes into the make-up of your scale, you use the traits and characteristics of men you know—your own salesmen.

You lay out your standard, your scale, in five major divisions, thus: 1—Appearance and manner; 2—Convincingness; 3—Industry; 4—Character; 5—Value to the firm. The fifth division you subdivide three times, thus: 1—Personal history; 2—Reports; 3—All things considered.

You set these divisions—these qualities—down on a sheet of paper and under each division you make spaces for the names of five men—five men in your own present sales organization whom you know very well. Considering first the division of appearance—the physique, bearing, facial expression, clothing, manner—of all your salesmen, you pick the one who, in the particular respect of appearance and manner, ranks the highest. You write his name on the top line under "Appearance" and you give him a value—a "weight"—of 10. Next—because it is easier to select the extremes—you pick the man who ranks lowest in appearance and manner and you write his name on the bottom line and give him a value of 2. Half-way between the highest and the lowest you select the middle man, and write his name in and value him at 6, and then you fill out the "appearance" scale with the second and the fourth men. Your scale thus far will look something like this:

Appearance and Manner

Jones	10
Smith	8
Wilson	6
Thompson	4
Wallace	2

Then you pass on to Division 2—Convincingness. Under this heading you disregard everything but the tact, clearness and force with which each of your salesmen presents his sales arguments. Which of them can put up the best talk? Brown, you think. You write Brown's name on the top line under "Convincingness" and give him a value of 10. Then you select the four others, as you did under "Appearance and Manner" and list each in his proper rank and give him the corresponding value. And so you go through the divisions, setting up

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your scale of men as you go. In each division you have selected five men with whom to compare the applicant—and you call him in.

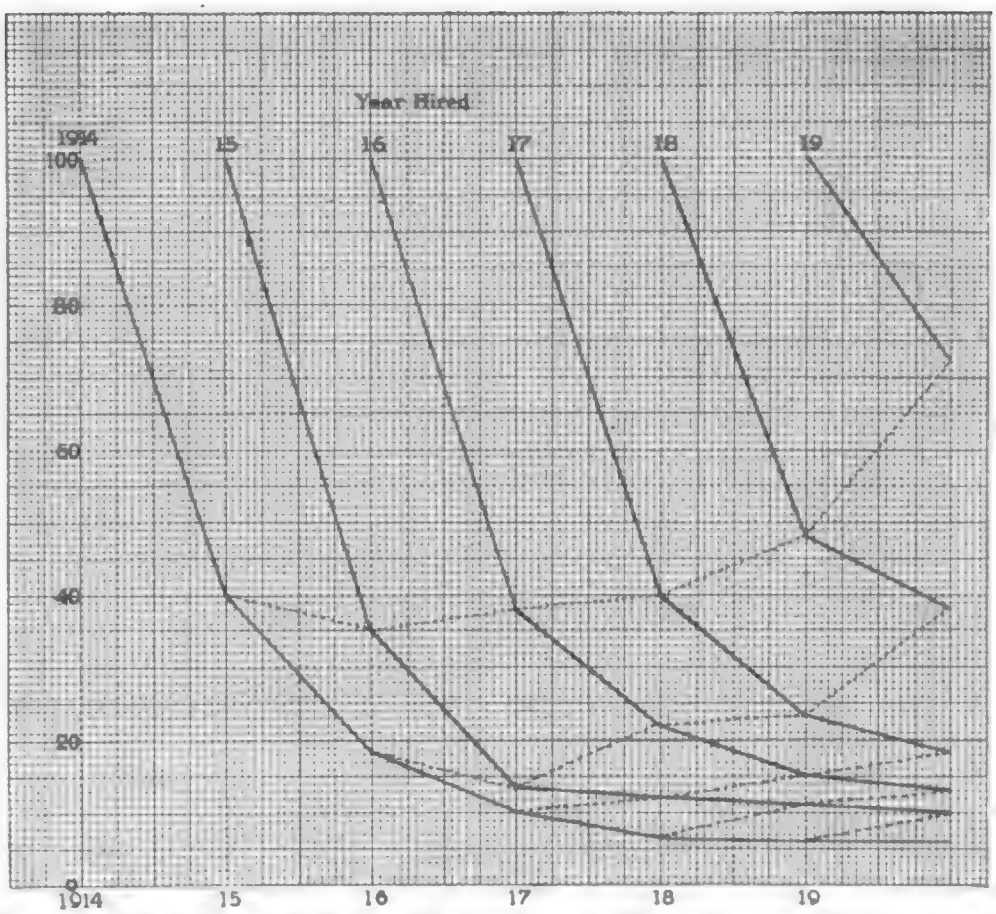
With your scale before you and a blank handy on which to keep the applicant's score, you seat the man at your desk and talk with him—and look him over. In appearance and manner, does he rank with Jones, whom you gave a value of 10 as to looks? Not quite. He's on a par with Smith, who is second in the scale with a value of 8. Very well, under "Appearance and Manner" score 8 for the applicant. Now, how well does he talk? Is he as convincing as Brown, whom you have valued at 10, or Green, whom you have valued at 8 under "Convincingness?" No, he's younger than either of them—seems a bit immature and self-conscious—about like White, whose value is 6. Under "Convincingness" score 6 for the applicant.

Thus you apply each division of your scale to each man seeking a job. When you have finished with each one you have given him a value under each of the divisions and the total of those divisional values have given you his total score—his "weight."

You, alone, might do all the interviewing and all the weighing of applicants. In practice, however, it has been found best to bring to bear the independent appraisals of two or more interviewers Accordingly, when you have finished with each applicant you turn him over, say, to the general manager. The general manager has on his desk an interview scale similar to yours—similar except that the general manager has made up the divisional selections of men for himself. The names on his scale may, or may not, coincide with yours. In any event, they represent his opinions as to how the men rank under the five divisions. Without knowing how you sized him up, the general manager interviews each applicant and appraises him. Then a third interviewer, and possibly a fourth and a fifth, pass independent judgment as did you and the general manager.

WITH the interviews complete, the several verdicts of the interviewers are assembled and the "weights" are averaged and the averages recorded on master scores for the applicants. The rest, of course, is obvious; out of the dozen applicants you simply pick the four men whose scores are highest.

That, in substance, is the bureau's prescribed method for hiring men, particularly salesmen. That, substantially and except for changes obviously necessary in the specifications, was the method as it was used in the army. After the rating scale had been in use for a year in the officers' training



This is a chart of the turnover in the selling organization of one of the twenty-eight companies that compose the membership of the Bureau of Personnel Research. The solid lines represent percentages of men remaining each year after employment. Thus, of the men hired in 1914, only 40 per cent remain d at the end of the first year, 18 per cent at the end of the second year, and 10 per cent at the end of the third year. The broken lines represent percentages of men remaining after equal lengths of service—the top line after one year of service, the next lower after two years, and so on. Note how some cause—probably an improvement in the methods of selecting men—that became effective in 1916 is reflected in the upward tendencies of the broken lines after 1916

camps, its usefulness was described officially as follows:

"The results of using the rating scale during the past year have established the fact that it is reasonably uniform and accurate when intelligently constructed and applied. When two raters equally acquainted with a subordinate officer and equally competent to rate him, make independent ratings and compare them, it is found that the average variation is not over five points. Instances of variation of only one or two points, and instances even of no variation, have been reported with surprising frequency. Officers generally agree that the rating scale gives a more accurate and dependable index of efficiency than any other system they have ever examined or used." (*The Personnel System of the United States Army*, Volume II, p. 273.)

What of the use of the scale in industry? A recent report of the National Association of Corporation Schools makes this comment: "The use of rating scales was found to be very diverse. Twelve companies used rating scales to apply to all positions; seven used a rating scale for executives only; five for salesmen; three for men in training; five for foremen and assistant foremen; two for agents; three for telephone operators; one for all employees on a salary basis. Consequently, there was little uniformity in the character of the rating scales in use. Some of the scales showed distinctly the influence of the army rating scale. In fact, whatever uniformity appeared could be traced to the army scale."

Among member firms in the Bureau of Personnel Research itself, eight are using the bureau rating scale and nine others are, or have been, using rating scales of some kind. In some instances qualities and "weightings" have been changed. Thus, one of the member firms uses a rating scale divided as follows: appearance, 10 points; address, 10 points; character, 10 points; industry, 10 points; mentality, 10 points; value to the company, 40 points; reports from others, 10 points.

In some instances it has been possible to rate applicants from two points of view—that of the "home office," as personified by the general executive officers, and that of "the field" as personified by district, branch and agency managers—and to compare the results. It has been found that, on the whole, sales executives in the field seem to be able more accurately to pick the potential top-notchers—as shown by the subsequent production records of the men "taken on"—than are the home office executives. Admittedly, however, the instances in which it has

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Introducing the Patience Man

His Knowledge of Customers and Their Needs Enables Him Not Only to Answer "Kicks," But Also to Get New Business

By WILLIAM G. CAMPBELL

WHO'S YOUR Patience Man? Haven't any? Possibly you have a man in your business organization that performs some of the functions of the particular Patience Man with whom this recital is concerned, but you call him by some other name. At any rate, you will be interested, perhaps, in hearing something of what can be accomplished by a Patience Man—a chap that fulfills the ordinary duties of a complaint manager, or an adjustment manager, but fulfills those duties in such a way that his efforts and his achievements transcend the ordinary limits of such a job and entitle him to some other designation—for instance, Patience Man.

Without doubt there is work in your business for a Patience Man; and doubtless you have a man in your organization that could do the work and deserve the title. Attend, then, upon the tale of how a big wholesale house in Chicago picked the man and how he created the job.

Allen Clarke sold goods on the road for Reid, Murdoch & Company, Chicago wholesale grocers. He sold goods for years, and he sold them well—so well that he became the firm's star salesman. He traveled the territory that had been covered, just before him, by a man that was promoted to the presidency of the company.

Then Mr. Clarke was brought in off the road to be assigned to an executive post in the home offices. He brought with him a first-hand, working knowledge of selling conditions in the field and of the practical psychology of salesmanship as acquired in and applied to the selling of the goods of Reid, Murdoch & Company. He knew the house's customers, in that he knew what sort of men they were and how they looked at things. He brought with him, too—and this was partly a natural attribute and partly the result of development—he brought with him into the home office an active imagination, but an imagination balanced and governed by the calm, mature judgment of a man of middle age.

Mr. Clarke was made manager of the Department of Complaints. There, it was thought, his knowledge of the road and of the customers would be applied to excellent advantage. His official title is Manager of Complaints. But the title, as will presently appear, falls far short of defining the limits of his usefulness.

To Mr. Clarke are passed on the letters, as he describes them, "that nobody else wants to answer." He gets the complaints from customers, based on all grievances, fancied or real; he gets the "kicks" concerning "short" or delayed shipments; and he gets the requests for exclusive agencies to refuse—all the potential trouble-makers that come in through the mail and that have to be handled with tact and delicacy and ought to be handled with patience.

To the answering of one of those letters Mr. Clarke first applies the experience he gained on the road. He visualizes the kicking customer and gets his point of view. For instance, Jacob B. Metz, Grocer and Produce, also Hay, Flour and Feed, Heath's Corners, Iowa, writes in. There has been a matter of a shipment of Monarch coffee. Metz contends that it was "short"—and possibly it was, for those things will happen in the best-regulated businesses.

When the goods were unpacked Metz wrote a letter about the shortage to Reid, Murdoch & Company, up in Chicago. It was not a belligerent letter. Metz knew that he, himself, sometimes made mistakes. Why shouldn't Reid, Murdoch & Company? They're human, too. And so Metz wrote a good-natured letter. In reply—this picture is drawn from conditions as they were before the Patience Man began answering such letters—in reply Metz got a three-line letter, possibly dictated by some one in the shipping department, saying the matter was being investigated, and that if the shipment was found to have been short adjustment would be made.

But big organizations move slowly, and maybe a couple of weeks dragged past without an adjustment for Metz. He wrote another letter. In reply h was told to refer to the former lett on the same subject, but was assure that something was in the process c being done. Then, maybe, the sale man in the territory called on Met To the salesman Metz told the whol story again. "Don't worry about it, the salesman probably said. "They' fix it up. I'll write 'em a letter abou it, myself, tonight." Grudgingly Metz probably ordered another bill c goods—not a large order, but enoug to show that he held no grudge agains the salesman—and resolved, with grir determination, to "jes' wait and se what happens." A week went by Nothing happened.

And then Metz declared war. H cleared the deck of his high-backe desk for action, drew up a stack of h letterheads for ammunition, unsheathe his pen from its potato, wound up wit a good, free-arm swing, and wrote four-page letter to Reid, Murdoch Company of Chicago telling them, i rich detail and minute specificatio just what he thought of them.

TODAY the first letter of Jacob I Metz, of Heath's Corners, goes not t some one in the shipping department, c to some forced-draught executive in th sales department, but it goes, alon with all the other complaints, to th Patience Man, Mr. Clarke. And th letter that goes out from Mr. Clark in reply is a composite thing, made u of about 25 per cent experience an knowledge of the ways of the custome about 25 per cent tact, and the remair ing 50 per cent pure, unadulterate patience. It isn't a short letter, fab ricated of stock words and "busines like" phrases. It's usually a fairl long letter—congenially long; and it thought out and put together to appl specifically to the case under discussio

"In writing replies to complaints, Mr. Clarke says, "I think that man correspondents overlook the effect tha the sheer length of a letter will have o the mind of the custome When a complainant sit down and writes us a lett three or four pages lon stating his case, and w reply with a letter thre or four lines long, just th sight of our reply make him 'mad.' Even befor he reads our letter, h notes its brevity and h says to himself, 'So that'



"Everybody Knows When the Big Cheese Comes to Town," says the "Cheese Book"

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he way they brush me aside. They ay be big, but they ain't big nough for that.'

"The letter shouldn't seem indy.' But neither should it ave even the appearance of rusqueness. A half-page letter *ight* cover the case, but it ouldn't stand as good a chance f easing the mind of the com-laining customer as would a letter full page long."

Reid, Murdoch & Company rant no exclusive agencies. Of ourse, that policy does not prevent mbitious retailers everywhere rom seeking the right of exclu-ive sale, within their respective erritories, of Reid, Murdoch & Company's goods. Requests for xclusive agencies are continually oming in, and continually these equests are being declined—by he Patience Man.

There's a reason in the minds of xecutives of the company back f that policy of granting no ex-lusive agencies. Consider a hypo-hetical case: Say that a salesman, or instance, should ask exclusive rights or one of his good customers. "Black & Green, of Oskawawa, will sell more Monarch goods than the six other grocers in the town put together," the alesman would say to the house. 'They want an exclusive agency in Oskawawa. Let's give it to 'em." Exclusive rights are granted to Black & Green. Six months, or a year, or two years pass. Mrs. Black, wife of the senior member of the firm, must go west for her health. Green, the junior member, feels he would like to retire. The partnership is dissolved. Will the other grocers in Oskawawa be eager to take on the Monarch line? Or would it be quite fair to ask them to take it on, after the salesman of Reid, Murdoch & Company had been pass-ing their doors theretofore to sell Black & Green?

Now some one must explain matters to the customer that asks for an ex-clusive agency. Obviously, the ex-planation is not always an easy thing to "get over" to the applicant. There, it almost goes without saying, is a real job for a man with selling knowledge, plus tact, plus plenty of patience.

What of the Patience Man's replies to complaints, his explanations to seek-ers of exclusive rights? "Really," Mr. Clarke said, "they couldn't be followed as models. Each one, virtually, is an individual letter, applied to an indi-vidual case. While it is true that we have worked out certain ways to handle certain kinds of cases, and thus have evolved certain general rules, still anyone that will use patience could accomplish as good results."

Interesting, you say. But what good is it? My business isn't big enough to afford a man like that. If I'm going to invent a Patience Man, or have him invent himself, he'll have to produce something besides long letters.

Wait a minute. Not all the time of Patience Man Clarke is devoted to writing letters. The same mental attributes he has found so useful in answering correspondence can be ap-plied to constructive, productive sales work. Knowledge of the customers, imagination, tact, patience—these are useful instruments in promoting the sale of almost anything. Especially have they been shown to be useful in promoting the sales of staples in the business of Reid, Murdoch & Company. Take, for instance, cheese.

FOR years Reid, Murdoch & Company had been selling cheese—selling it in the ordinary way in which cheese always had been sold. If the cheese was good, it sold itself; and that was about all there was to it. And then some one in the organization—maybe it was the Patience Man, himself—con-ceived the notion of selling cheese in an extraordinary way.

It was reasoned out thus: If a 40-pound cheese, unaided and left to its own devices, can sell itself, why cannot a bigger cheese—a 100-pounder, or a 250-pounder, or even a 500-pounder—with a little sales assistance, be sold? And when the reasoning was tried out in practice it was found that bigger cheeses actually could be sold—much bigger cheeses than anyone at first had imagined. Today a 500-pound cheese, to Reid, Murdoch & Company, looks like a bantam weight. A thousand-pounder is only in the welterweight class. No cheese really begins to command the respect of this firm until it attains a couple of thousand pounds; and occasionally there goes out to a customer a cheese that tips the beam at 3,000 pounds—a veritable grand-father of all the cheeses.

Naturally there were difficulties, and many of them physical, attendant upon putting over the idea of the big cheese. The difficulties began with production. To a rural creamery for which a 40-pound cheese had always been a respectable effort, the idea of turning out a 2,000-pounder looked like a war order. Days were consumed in the making of it. And then, after it was made, somebody had to load the dad-blamed thing on a steel-wheeled wagon or a motor truck and haul it four or five miles to a hay scales to weigh it. No magnified cheese box would hold the monster for shipment into town. It had to be caged with two-inch planks and bound with bands of iron a half-inch thick.

Difficulties were attendant, too, upon distribution—upon the shipment out to the customer. Freight wrest-lers in the railroad terminals had to be educated into the Graeco-Roman ways of a cheese that had a six-foot wheel-base, was as heavy as a good-sized safe and as hard to handle as a live salt-water turtle.

There was the case of a 2,500-pound cheese that was left alone, standing on its edge, on a freight platform somewhere. No one thought to block it, as he would have anchored a six-foot reel of wire. There came along a couple of hours later a gust of wind, or a switchyard philosopher in need of something to lean against to think. And the cheese rolled off the platform.

"What happened to it?" I asked Mr. Clarke.

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How To Do It—Follow This Plan

WE send out practically the same suggestions year after year for handling these big Blue Ribbons, for there is no necessity for change, or revision. The whole deal is simple and easy to handle, if you know how, and *we tell you how*. This plan has been every-where followed with success. It will apply either to a Mam-moth, Colossal, Record Breaker or Monarch Blue Ribbon Cheese.

IF YOU FORGET EVERYTHING ELSE WE SAY, do not cut into the big cheese for a few orders before it is all sold, no matter how insistent your customers are or how much you would like to accommodate them.

First. Select the date upon which you will cut the big cheese and distribute it to your trade. A week before the date selected, put the cheese on display in your most prominent window, decorated with the blue ribbon we send you, typical of the first prize so often won at fairs, agricultural shows and dairy exhibits, wherever these Monarchs have been entered for comparison with other cheese. Make your selling price one that will pay you a fair profit. Your trade will realize that it costs more to produce these extra large sizes than it does cheese of ordinary size, and the finer flavor warrants a fancy price.

Second. As soon as the cheese is on display in your store (not before), send out circulars calling attention to the exhibition in your store. If you do not care to prepare a circular of your own, you can use the ones given on next two pages of this book, inserting your name, dates, prices, etc., as indicated. An advertisement in your local paper may be substituted for circulars.

Third. Don't let a customer leave your store without having his or her attention called to that enormous prize-winning cheese. Let everybody know that you are booking orders for it, to be delivered on the day it is cut, right when the flavor is finest. Let them know that you may not have enough to go around. Ten out of eleven people will take some. Have every clerk and delivery boy on the alert to secure orders. This method sells it quickly—every pound will be spoken for before the day of cutting arrives.

A page from the "cheese book"

When Kennedy Makes a Sale

By ARTHUR H. LITTLE

THE ADVERTISEMENT that caught my eye appeared in a Boston newspaper along in September. This is the way the significant part of it read:

"The price of a good suit of clothes this fall, as always, will depend a good deal on where you go to buy it. Some stores pay more for their merchandise than others pay for the same goods. Some are burdened with a larger overhead expense. Some want big profits, while others are satisfied with small ones. All these things are kept down to a minimum here. The Kennedy stores are the largest spot-cash buyers of goods in New England, which enables us to buy our goods for less money. *Our percentage of overhead expense is the smallest on record and our margin of profit is the narrowest ever known in the clothing business.*"

The italics in the quotation are mine; it was that concluding sentence that caught my eye.

The Kennedy stores are eight in number. They sell men's and boys' clothing. The largest of the eight is in Boston; and it, by the way, is the largest retail clothing enterprise in that city. The other stores are in Worcester, Springfield, Brockton, Lynn, Hyde Park and Beverly, Massachusetts; and Providence, Rhode Island. Last year the eight stores together did a gross business of about $4,000,000.

With that full-page advertisement about the smallest overhead expense and the narrowest margin of profit, I went into the Boston store and into the main offices of the company to find out how it was done. The trail led to the office of the statistician of the stores, S. A. Burdick.

"Three things," Mr. Burdick told me, "contribute to keeping down our overhead and the same three things enable us to keep down our margin of profit. They are:

"First, our volume of business.

"Second, the fact that the business is on the all-cash basis.

"Third, our direction of sales effort and our control of buying."

And then he told me, and showed me, how the three things operate. Rather, he explained in detail only the third one; for the first and second are things that, for the purposes of this discussion, may be said to be beyond the immediate control of the average merchant in his business. Admittedly, sales volume has its effect upon overhead percentage; that is a matter of arithmetic, about which there can be no argument. All other things being equal, an all-cash business is less expensive to operate than a business that sells for credit as well as cash. Not even by taking thought, however, can the average merchant greatly change his sales volume overnight; nor, in the same manner and in the same time, can he transform his store from a cash-and-credit business to an all-cash establishment. What the average merchant can do is this: he can direct his sales effort and control his buying as the Kennedy stores are doing these two things.

Do You Know—

HOW much merchandise was sold in your store yesterday, last week or last month?

How much was sold yesterday, last week or last month, by each of your salesmen?

How much was sold yesterday, last week or last month, in each section or department of your store?

Which section produces the greatest net profit?

How often you turn your entire stock and the stock in each section?

What styles, sizes and prices are most popular with your customers?

In the Kennedy stores the answers to these questions are available at any moment. They constitute the data upon which are based the Kennedy direction of sales efforts and the Kennedy control of buying, described in this article. As the author suggests, the method is one that almost any merchant may apply to advantage.

Knowledge of what the store is doing, knowledge of what every section of the store and what every salesman in every section is doing, knowledge of every line of merchandise and what every "number" of every line of goods is doing—that is the basis of the Kennedy method of directing sales effort. Knowledge of what the customers have bought in the past, what lines and sizes and grades of merchandise—that is the basis of the method of controlling purchases. The two methods together co-operate to hold down overhead and mark-up. On the selling side intelligent direction, properly timed, operates to reduce lost motion. On the buying side intelligent control, planned in advance, operates to reduce extravagance and waste.

There is a difference between the meanings of the words "knowledge" and "judgment." Knowledge means—well, just knowledge. What a man knows he knows; there can be no argument about it. Judgment means the formulation of certain ideas, opinions or policies from the comparison and correlation of certain known facts. Just as judgment has its part in the management of any other business enterprise, so does it enter into the management of the Kennedy stores. For instance, knowledge establishes what the customers have bought in the past. Judgment must predict what they will buy in the future. This is no new principle. The process of reasoning from the past to determine what may be expected in the future is a normal and almost automatic function of the mind. It's just the way that principle is applied in the Kennedy stores that is different. In the Kennedy scheme of management the process starts with real knowledge and not with belief; with facts and not with "hunches."

The whole process starts with a sale. A red-headed man comes into the Boston store to buy a pair of blue socks. He wants a "fairly good pair." He looks over the cheaper grades first, passes up the 25-cent ones and the 35-cent and 50-cent and 65-cent ones. He lingers a bit over a pair at 85 cents, then goes on up over the dollar mark, past $1.35 to $1.50 a pair, then comes back down the scale again and buys the pair at 85 cents. He takes his change and his package and walks out. He is through with the transaction; but the Kennedy store has just begun with it.

That 85-cent sale, cash though it be, is recorded. On a sales slip the salesman records his own number in the store organization, the number of pairs sold, the selling price and the lot number of the merchandise. All day long, as he sells hosiery, the salesman records each sale—number of pairs, selling price and lot number. At closing time in the afternoon all his sales slips for the day go up to the office to join the day's sales slips from all the other salesmen in the eleven sections of the store.

At 8:30 the next morning a young woman clerk in the statistician's office hangs up her hat and goes into the matter of yesterday's sales. The slips are before her. First, she sorts them for convenience in handling. Then—and this is where the lot number comes in—she refers to a chart. On the chart are listed all the lot numbers in

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the store. After each lot number there have been entered the purchase price, the price at which that particular "number" of merchandise was bought a month or six months ago, and the price at which it is to be sold.

First at hand, say, is the slip recording the sale of one 85-cent pair of socks to the red-headed man. On the slip the salesman has entered, "Lot No. 2116." The chart shows that the socks known as Lot No. 2116 cost, say, 50 cents a pair. The young woman clerk writes ".50" into the space on the slip reserved for purchase price, turns the slip face down and picks up the next one. And so she goes through the day's stack of slips, entering cost prices on each one. Meanwhile she keeps a watchful eye on the prices at which goods have been sold and checks them, as she goes along, against her chart; salesmen occasionally make mistakes.

"There," she says, when she has finished, "that's done."

Then another young woman clerk takes the slips and does something else with them. She posts them to a record, a many-columned affair called the "detail sheet." First she posts them to this sheet as to salesmen, each salesman's sales in a group. In the first column she enters the sales slip number; that's to check against the last sale number of the preceding day's record and make sure that no slip has been lost. In the next column she enters the selling price involved in the sale, and in the third column the cost price. Thus, for each salesman as she goes along she gets a total of his day's sales and the total cost of the merchandise he sold; and thus, for the entire sales force, she gets the same two totals, which represent the store's business for the day—sales and cost. The difference between the two, of course, is the day's gross profit.

Then she re-sorts the slips, this time by sections of the store. Again she posts them, this time as to sections, on the detail sheet. On this posting "run" there is no need of carrying the sales slip numbers. Only the section totals are wanted, cost and selling price for each section. But the sales slips show war tax, where war taxes have been collected on certain lines of merchandise; at the end of the year the government will want to know the total of those collections. So she enters these as she encounters them. And thus she gets the section totals—cost and selling price. Also she gets the total of war tax collections, but that has nothing to do with this story. Again, and this time by sections, she gets the two totals for the entire store. For checking purposes she compares these totals with the totals she got for the salesmen. The two sets of figures agree.

Detail Sheet

Salesman No. 100 — Book No. 207.08

Sales No.	Sales	Costs
1	.25	.17½
2	2.00	1.45
3	5.00	3.50
4	.85	.63½
5	1.65	1.89½
	9.75	7.04½ ?

Salesman No. 101 — Book No. 207.40

Sales No.	Sales	Costs
48	2.85	2.00
49	6.50	4.75
50	28.50	20.00
Book No. 207.09		
1	.95	.66½
2	12.00	8.75
	50.80	36.16½ ?

Salesman No. 102 — Book No. 107.89

Sales No.	Sales	Costs
12	12.00	8.50
13	.50	.35
14	.65	.45
15	15.00	10.50
16	3.50	2.75
	31.65	22.55 ?

Salesman No. 103 — Book No. 107.40

Sales No.	Sales	Costs
22	6.50	4.50
23	3.95	2.79½
24	11.00	7.75
25	.50	.35
26	20.00	14.00
	41.95	29.39½ ?

Salesman No. 104 — Book No. 202.02

Sales No.	Sales	Costs
41	10.00	7.25
42	.65	.45
43	1.00	.83½
44	3.50	2.50
45	1.85	1.35
	17.00	12.38½ ?

Salesman No. 105 — Book No. 137.08

Sales No.	Sales	Costs
20	2.50	1.75
21	5.00	3.50
22	7.50	5.50
23	26.50	18.50
24	4.50	3.15
	46.00	32.40 ?

Salesman No. 106 — Book No. 137.09

Sales No.	Sales	Costs
14	17.50	12.50
15	10.00	7.00
16	.35	.25
17	1.35	.97½
18	2.65	1.87½
	31.85	22.59½ ?

Salesman No. 107 — Book No. 141.20

Sales No.	Sales	Costs
2	1.45	1.12½
3	.95	.62½
4	7.50	5.50
5	5.00	3.75
6	12.00	7.91½
	26.90	18.91½ ?

	Sales	Costs
Total	235.90	181.44½ ?

Section 1 — Collars

Sales	Costs
.25	.17½
.50	.35
.65	.45
.35	.25
1.75	1.22½ ?

Section 2 — Hose

Tax	Sales	Costs
10	2.00	1.45
	.65	.45
	1.00	.83½
4	1.35	.97½
14	5.00	3.70½ ?

Section 3 — Shirts

Tax	Sales	Costs
20	5.00	3.50
120	15.00	10.50
5	3.50	2.50
	2.65	1.87½
90	12.00	7.91½
235	38.15	26.29½ ?

Section 4 — Underwear

Tax	Sales	Costs
	.85	.62½
	3.50	2.75
	1.85	1.33
	1.45	1.12½
	7.65	5.85 ?

Section 5 — Neckwear

Tax	Sales	Costs
	1.65	1.29½
45	6.50	4.50
5	2.50	1.75
	.95	.62½
50	11.60	8.16½ ?

Section 6 — Night Robes

Tax	Sales	Costs
	2.85	2.00
	3.95	2.79½
	5.00	3.50
25	7.50	5.50
25	19.30	13.79½ ?

Section 7 — Gloves

Sales	Costs
6.50	4.75
11.00	7.75
7.50	5.50
5.00	3.75
30.00	21.75 ?

Section 8 — Leather Goods

Tax	Sales	Costs
35	28.50	20.00
15	26.50	18.50
50	55.00	38.50 ?

Section 9 — Sundries

Sales	Costs
.95	.66½
.50	.35
4.50	3.15
5.95	4.16½ ?

Section 10 — Knit Goods

Sales	Costs
12.00	8.75
20.00	14.00
17.50	12.50
49.50	35.25 ?

Section 11 — House Coats (etc.)

Tax	Sales	Costs
45	12.00	8.50
50	10.00	7.25
25	10.00	7.00
120	32.00	22.75 ?

Luxury Tax	Sales	Costs
Total 494	235.90	181.44½ ?

Two groups of totals—sales and costs by salesmen and sales and costs by sections—constitute the data by which the Kennedy stores direct their sales effort and control their buying. The form above is condensed; only enough items have been posted under each salesman's number and each section number to show how the method works. Observe that the total of sales by salesmen agrees with the total of sales by sections, proving the accuracy of the posting. The fractions in the cost columns enable the management to assign to each unit of a lot its proportion of the odd cents involved in the purchase. Mr. Burdick, statistician for the Kennedy stores, thus sums up the benefits of the daily detail sheet: "We know what's what and we know it in time to do something about it."

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Buying Record for Spring and Summer 1920

Section No	Sales Spring 1918	Sales Spring 1919	Increase	Per Cent Increase	Mdse at Cost Spring 1919	Per Cent Yearly Sales	Estimated Cost for Spring 1920 Based on 20% Increase	Inventory of Spring & Summer Goods Sept 1 1919	Deduct Inventory Sept 1 1919 From Estimated Cost for 1920	Add amount Allowable For Inventory Sept 1 1920	Merchandise to Buy
	.00	.00	.00		.00		.00	.00	.00	.00	.00
1	1 1 5 0 0 9 2	1 7 2 5 1 3 7	5 7 5 0 4 5	50	1 2 0 7 5 9 6	30	1 4 4 9 1 0 6	4 3 1 7 2 9	9 9 7 3 7 7	2 8 1 6 7 4	1 2 7 9 0 5 1
2	1 7 5 2 3 2 2	2 4 6 4 4 8 4	7 1 1 9 6 2	40	1 7 4 0 1 3 9	29	2 0 7 0 1 5 6	1 1 9 0 9 2 1	8 7 9 2 4 5	4 4 2 5 9 5	1 3 2 1 8 4 0
3	5 9 5 1 2 7 1	7 3 9 3 4 5 2	1 4 4 2 1 8 1	24	5 1 7 5 4 1 6	50	6 2 1 0 4 9 9	1 8 6 8 5 1 4	4 3 4 1 9 8 5	6 6 5 1 0 6	5 0 0 7 0 9 1
4	1 8 4 3 7 9 9	2 7 1 0 9 3 2	8 6 7 1 3 3	47	1 9 2 7 6 5 3	29	2 3 2 7 1 8 3	1 8 0 6 9 1 5	4 7 0 2 6 8	8 2 6 6 9 6	1 2 9 6 9 6 4
5	3 0 8 5 1 6 8	3 9 4 3 1 7 5	8 5 8 0 0 7	28	2 8 4 0 2 2 3	22	3 3 1 2 2 7 6	1 1 0 8 7 8 9	2 2 0 3 4 8 7	2 9 1 3 8 2	2 4 9 4 8 6 9
6	6 5 7 1 9 6	9 8 5 7 9 3	3 2 8 5 9 7	50	6 7 5 0 5 5	31	8 2 8 0 6 6	4 5 1 7 2 9	3 7 6 3 3 7	1 8 1 6 7 4	5 5 8 0 1 1
7	1 2 2 3 1 1 4	1 4 7 8 6 9 0	2 5 5 5 7 6	21	1 0 1 4 0 8 3	31	1 2 4 2 1 0 0	4 1 0 6 6 3	8 3 1 4 3 7	5 6 0 6 7	8 8 7 5 0 4
8	1 2 7 7 8 8	2 4 6 4 4 8	1 1 8 6 6 0	93	1 6 5 5 1 4	33	2 0 7 0 1 7	6 1 5 9 9	1 4 5 4 1 8	3 8 4 1 0	1 0 3 0 2 8
9	1 2 4 1 3 7 0	1 9 7 1 5 8 7	7 3 0 2 1 7	59	1 3 4 0 1 1 1	34	1 6 8 4 1 3 3	3 6 9 5 9 6	1 2 8 6 5 3 7	2 3 0 4 6 0	1 5 1 6 9 9 7
10	5 8 4 1 7 4	9 8 5 7 9 3	4 0 1 6 1 9	69	6 7 0 0 5 5	34	8 2 8 0 6 6	2 8 7 4 6 4	5 4 0 6 0 2	1 7 9 2 4 7	7 1 9 8 4 9
11	6 3 8 9 4 0	7 3 9 3 4 5	1 0 0 4 0 5	16	4 9 5 5 4 0	25	6 2 1 0 5 0	2 0 5 3 3 1	4 1 5 7 1 9	1 2 8 0 3 4	5 4 3 7 5 3
Total	1 8 2 3 5 4 3 4	2 4 6 4 4 8 3 6	6 3 8 9 4 0 2	35	1 7 2 5 1 3 8 5	30	2 0 7 0 1 6 6 2	0 2 1 3 2 5 0	1 2 4 8 8 4 1 2	3 3 2 1 3 4 5	1 5 8 0 9 7 5 7

All the buying operations represented by this form are based on facts revealed by an analysis of the sales slips

"There," she says, "that's done."

She's right; it is done. And that—except for the red-headed man of the blue socks whom we shall be obliged to bring into the story again later on—that is all there is to it. That constitutes the whole method, the technique. Two groups of totals—sales and costs by salesmen and sales and costs by sections—constitute the data upon which are based the Kennedy direction of sales effort and the Kennedy control of buying.

Selling merchandise may be considered as largely a matter of encouragement—encouragement of men and merchandise, encouragement of the laggards to keep up with the leaders. If Salesman No. 100, selling collars, sells but $9.75 worth of merchandise in a day, what's needed, broadly speaking, is encouragement. Maybe he doesn't know how to sell collars and needs coaching; that is encouragement. Maybe he could sell shoes or underwear or something else in some other section better than he can sell collars and should be transferred. That, broadly speaking, is encouragement. Maybe he's out of his element entirely in a clothing store; maybe he could sell lawn mowers or birdseed or jewelry and should be asked to find a job in that line, in order that somebody else might take his place in collars. That, still more broadly speaking, is encouragement.

Then consider lines of merchandise and apply the same thought of encouragement. Section 7, gloves, looks a little weak in yesterday's sales—only $30 for the day. Is that normal for a Friday, at this time of the year? Let's have a look at last year's detail sheet for the same period. The nearest Friday to the 24th of September last year was on the 26th. On Friday, the 26th of September last year, the glove sales were $58.50. Call in the section head; maybe he can explain. He can, and does.

"Haven't had a window display for gloves for five weeks," he says. "Can't expect the weather to do it all."

A window display for gloves is placed on the schedule to "go in" Saturday night. That is encouragement, applied to merchandise.

"The point is," said Mr. Burdick—he's the store statistician, you will remember, whom we introduced a while back—"the point is that we know what is going on in the store as to sales at the time it's going on. We see the weak spots and we see the weaknesses when they develop. Then we apply, right then and there, whatever is needed to strengthen those spots. We don't have to wait until the end of the month or the end of the quarter to see who and what 'fell down' in sales, and then say, 'If we had known that at the time we could have done thus and so.' We know what's what and we know it in time to do something about it.

BESIDES keeping us in intimate touch with our sales and thus indicating where pressure is needed, our daily detail sheet serves the additional purpose of enabling us to test out sales methods and to compare one method with another. Take advertising, for instance. We are able, by the use of our daily totals of sales, to check up on broad advertising policies, such as using or not using certain mediums and using certain total amounts of space, and to compare the policies with the sales by days and by periods. Beyond that, we are able to go into almost infinite detail in analyzing advertising results. Our sectional totals enable us to examine the results by sections and even by lines of merchandise. Thus we are able to apportion our space as to the goods, to establish certain standards with regard to proportions.

"So, too, we are able to analyze the results of other methods—for instance, of window displays. It's mighty interesting, by the way, to watch results as closely as we are able to watch them. A window display of boys' goods, say, 'goes in' Saturday night. Monday's sales in boys' goods will jump. You can fairly *hear* 'em jump! Anyway, you can *see* them jump in Monday's detail sheet. If last week's windows were mostly men's shoes, Monday's detail sheet will show, too, the effect of taking out the shoes. It is information like that that enables us to establish standards for window-display schedules with intelligent reference to the needs of the merchandise."

And now here enters again the red-headed man and his socks. This chromatic character in our piece plays a dual role. First he was mixed up in the plot of sales. Now, in the same make-up and the same costume—for he's a versatile person—he appears in the plot of purchases. He may be red-headed and even nameless here, but, just the same, he is the hero. For he, be it known, is the ultimate consumer, The Customer. From a merchandising point of view he is the whole works.

He wears socks. So, at least in this climate, do nearly all other men. He buys socks every so often. So, until the millenium comes, must all other men. About him and all his brother wearers and purchasers of socks, mere judgment could tell just that much—that they wear them and have to buy them. Toward him and his contemporary consumers of socks, Kennedy's has a commercial responsibility. Kennedy's must buy the socks, and buy them months in advance. But in the buying thereof Kennedy's relies not upon mere judgment.

On the same day that the red-headed man bought his socks other men bought other socks in the store. Still other men bought other things, clothing and hats and shoes and underwear, and mothers bought two-piece suits and one-piece shirts and non-skid stockings for their boys. All these men and all these boys, or their equivalents in other individuals, will need these things again, and they will come to Kennedy's to buy.

It's September, the beginning of a new season. The buyers are about to begin buying for the following spring and summer. The buyers and the management want to know how much to buy of what. The management wants to know about the whole store and the buyers want to know about the sections. Again, the process of determining what to do goes back to the sales slip.

The sales slip for every sale in the store, it will be remembered, bears the cost price and the selling price on

(Continued on page 51)

Selling the Habit of Paying

By JAMES A. McDONALD

"*CREDIT*," said S. L. Gilfillan, secretary of the Minneapolis Retail Credit Association and the Minneapolis Associated Credit Exchange—"credit is a convenience and not a crutch.

"The retail merchant extends credit to his customers, not as a means of helping them through financial difficulties by enabling them to buy goods for which they are unable to pay at the time of the purchase, but as one phase of his service to them. The theory of the thing, you know, is that when a customer buys goods on credit he should have available, at the time, the money with which to pay for what he's buying. Credit merely enables him to pay for his purchases at the time when it is most convenient for him to pay all of his bills, the first of the month.

"But the public, generally speaking, doesn't understand the thing. The public doesn't understand why merchants give credit. Besides—and here's the rub—the public, generally speaking, doesn't realize the importance of keeping its credit good."

All of which, of course, the average merchant knows very well. "Yes," he will agree, "that's all true—too true." Then he will demand, "But what's to be done about it?" "Educate the public," you suggest. "But how?" he demands. Minneapolis is answering that question.

Minneapolis merchants are educating their public to a proper understanding of credit, of its principle and its purpose. They are striving to bring their public to something like a realization of the importance of good credit. And Minneapolis business men will tell you that their educational work has brought and is bringing tangible results. They will give you facts and figures in support of their contention that Minneapolis is "the best credit city in the United States." They will tell you that the improvement in credit conditions is benefiting every line of business in the city—the butcher, the baker and the candlestick-maker, and along with them the department store, the corner pharmacy and the neighborhood grocery. Everybody, they will tell you, is taking better care of his credit, and the beneficiaries include not only the business men of the city, but the professional men as well—the lawyers and doctors and dentists.

"Our professional customers—or some of them, at least—used to tell us that their own collections were so slow that they couldn't pay us," the credit manager of a Minneapolis department store told me. "But now their clients pay lawyers and the doctors, and the lawyers and doctors pay us. Money is kept more actively in circulation and everybody benefits."

All this has been brought about, Minneapolis business men will tell you, by education—education of the people in what credit really is and how it should be used. It has been a community affair, an activity directed toward the people of a city and the enterprise itself has been community-planned and community-directed.

Eleven hundred business men and professional men—the merchants representing 275 retail stores—make up the memberships of the two organizations of which Mr. Gilfillan is the secretary, the Retail Credit Association and the Minneapolis Associated Credit Exchange. It is under the auspices of the former organization and under the direct supervision of Mr. Gilfillan that the public of Minneapolis is being educated into the mysteries of credit. In addition the educational work has the active co-operation and the moral support of six affiliated organizations: the Minneapolis Retailers' Association, the Twin City Association of Merchant Tailors, the Minneapolis Retail and Wholesale Coal Dealers, the Minneapolis Retail Meat Dealers' Association, the Minneapolis Milk Dealers' Association and the Minneapolis Launderers' Association.

The medium of education is newspaper advertising. Once a month the affiliated associations use a full-page space in each of two of the city's three daily newspapers; and a quarter-page once a week in the third newspaper links up the continuity.

There is no mincing of words, no camouflaging, no striving for cleverness in the copy. The ads have a straightforward story to tell—the story of credit—and they tell it in a straightforward style. Straightforwardness, indeed, is characteristic of the copy. "We can say things as an association that we wouldn't say as individual retailers," said one of the co-operating credit managers. "We can be extremely frank, without offending anyone; and then, as individual stores, we can apply that frankness to our own cases by saying, in our collection letters, that we indorse what the associations say in the ads."

As to copy appeal—the "ad angle," as some advertising writers call it—the advertisements cover a wide range. Each approaches the subject from a different side, for the line of copy attack depends upon current circumstances and is determined by investigations and by interviews with credit managers and with individual retailers. Timeliness, as well as straight-forwardness, is a characteristic.

A few of the titles of advertisements that have been published in the past year will indicate how wide is the range of copy appeal: "A Credit Account, A Mutual Convenience;" "Is There Value to Good Credit, Besides Making it Easy to Run Bills?" "Who is a Credit Delinquent? A Question Everyone Who Runs Bills Should Ask Himself;" "January Bargains and Good Credit Go Together;" "The Weight of Good Credit;" "Credit Reflects Character;" "Making Credit Easier; A Few Worth-while Points to Remember in Opening an Account;" "A Fact! Has it Occurred to You that Every Unpaid Bill Increases Your Cost of Living?" "A Good Habit and a Bad Habit;" "The



S. L. Gilfillan, who is directing the job of educating the public of Minneapolis to pay bills promptly

Man Who Makes Good in the Battle of Life Pays his Bills Promptly; He Keeps His Credit Good";"P-M-S; P for Prompt, M for Medium, S for Slow"; "Your Charge Account is not an Installment or Contract Account—Don't Confuse Them"; "Adjusting an Account"; "Your Credit is Your Most Valuable Commercial Asset and Should Not be Abused."

Pure exposition—what the advertising writer sometimes calls "reason-why" copy—predominates the continuous campaign. The reader, the customer, is taken into conference and shown the reason of things. Consider, for instance, one of the quarter-page ads devoted to an explanation of what a charge account really is.

The ad was headed: "A Credit Account, a Mutual Convenience." Its reason-why copy read:

"The retail merchant, in opening an account with you, has two things in mind: First the convenience to you, and second the convenience to the store. It is intended to be a mutual arrangement. Your charge account allows you the privilege of paying once each month, rather than for individual purchases. This arrangement saves you the trouble and annoyance of writing a check or paying cash each time you buy.

"Your part of the bargain implies prompt payment of the account when the statement is rendered. When the merchant carries out his part of the agreement, is it not unfair for you to allow your account to become overdue? By so doing you impose an extra burden upon the merchant, which results in a loss of interest to him and adds materially to his cost of doing business. These extra costs invariably increase the prices of the goods he has to sell to you.

"If your account is paid promptly, a credit arrangement is a convenient and satisfactory way for the merchant to handle your business without extra expense. If your account is slow it places a burden upon the merchant which he should not be asked to carry. Aside from all this, your standing is injured and your good rating impaired. Isn't it better to plan your finances so that you can pay your bills promptly and do your part in making the credit arrangement mutually beneficial?"

Another of the quarter-page ads differentiated between charge accounts on the one hand and installment and contract accounts on the other. Its copy read:

"Have you formed the habit of making a partial payment on the account each month, instead of liquidating the full amount owing, and, if so, have you stopped to consider how seriously you are impairing your credit by so doing?

"This practice denotes one of two things—either you do not understand the terms under which the account was opened or you have obligated yourself beyond your ability to pay promptly.

"Your charge privilege is a courtesy extended to you by the merchant in order that your shopping may be made more convenient and the only reciprocal return required of you is that your settlements be made *promptly* and *in full* on or before the 10th of the following month.

"An account not cared for in accordance with these terms becomes a liability rather than an asset, due to the expense entailed in its handling, and must eventually be discontinued."

THE relation between credit and prices frequently provides the copy theme. An example was a full-page ad headed "A Fact! Has it Ever Occurred to You That Every Unpaid Bill Increases Your Cost of Living?" The copy read:

"Who's to blame? At the present time when there is so much agitation over the cost of living and every conceivable circumstance is cited as a reason for the rising prices on commodities of all kinds, has it ever occurred to you that your own unpaid bills are proving most fruitful in depreciating the purchasing power of the American dollar?

"How does slow pay operate to make rising prices? Every time you put off paying a bill, your creditor, who has already allowed you the use of his capital for at least thirty days, is forced to make other financial arrangements to meet his own obligations. You have failed to pay him money upon which he counted. He is therefore forced to go into the money market and borrow sufficient to meet his own needs, paying a good rate of interest therefor. Meantime, remember you have enjoyed the use of his money without interest.

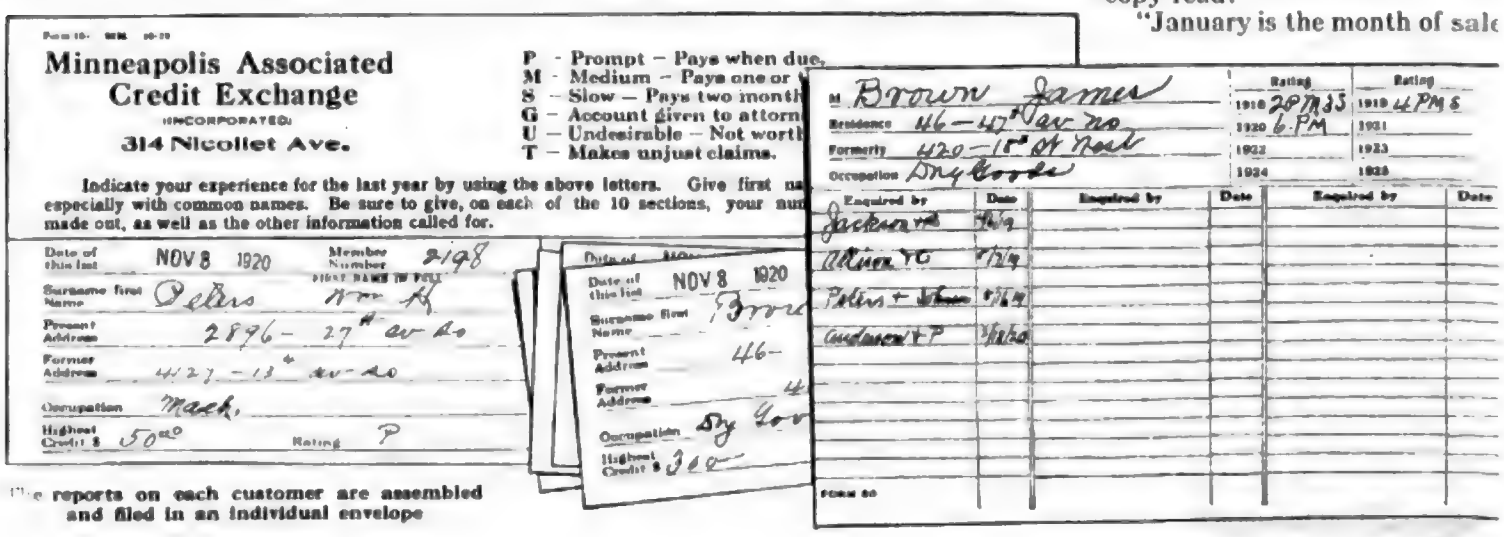
"There has been spirited buying of all kinds of merchandise this summer, more than ever before in Minneapolis at this season of the year. Credit accommodations have been liberal. As a result, merchants have tied up much capital in charge accounts, which, if not settled promptly, force merchants in turn to borrow. Even in cases of merchants who do not find it necessary to borrow, if they are forced to carry many accounts on their books longer than the thirty-day period, this condition affects directly the prices of the goods for sale in their stores.

"This is brought about absolutely involuntarily on their part, for if much of their capital is tied up in charge accounts not paid promptly, they are not in a position to take advantage of market chances to buy goods at bargains, which savings could be handed on to their customers. It is perfectly clear that when you put off paying a bill you harm your merchant, your fellow customers, and chief of all yourself.

"Pay bills promptly. In most cases slow pay is a habit which, with a little attention, can be easily cured. If you are one who neglects bills, for the increased prosperity of Minneapolis and the great Northwest, begin now to pay your bills promptly."

Reason-why copy, flavored with timeliness, characterized an ad entitled "January Bargains and Good Credit Go Together," which was published just before the holidays last year. The copy read:

"January is the month of sale


Minneapolis Associated Credit Exchange
INCORPORATED
314 Nicollet Ave.

P - Prompt - Pays when due.
M - Medium - Pays one or
S - Slow - Pays two month
G - Account given to attorn
U - Undesirable - Not worth
T - Makes unjust claims.

Indicate your experience for the last year by using the above letters. Give first na
especially with common names. Be sure to give, on each of the 10 sections, your num
made out, as well as the other information called for.

Date of this list NOV 8 1920 Member Number 2198
Surname first Name Peters Wm H
Present Address 2896 - 27th Av So
Former Address 4127 - 13th Av So
Occupation Mach.
Highest Credit $ 50.00 Rating P

Date of this list NOV 8 1920
Present Address 46-
Occupation Dry Goo
Highest Credit $ 300

M Brown James
Residence 46 - 42nd Ave No
Formerly 420 - 15th St North
Occupation Dry Goods

Rating	Rating
1919 2PMS5	1919 4PM 5
1920 6 PM	1921
1922	1923
1924	1925

Enquired by	Date	Enquired by	Date	Enquired by	Date
Jackson &	11/9				
Allen Co	11/24				
Peters + Wm	11/24				
Anderson & P	11/26				

The reports on each customer are assembled and filed in an individual envelope



Samples of the educational advertising

and bargains. In January merchants mark their stock for clearance to make room for spring and summer goods. January is the harvest month for the wise buyer. January sales furnish a direct test of the purchasing power of every man and woman who profits by them.

"Good credit makes January sales possible. The customer, taking advantage of such sales, who pays his bills promptly, furnished the merchant with capital to buy goods at advantageous prices. It is clear that goods bought at top prices cannot be sold to the customer's advantage, as when goods are bought *right* by the merchant, a point every purchaser should bear in mind.

"When you patronize January sales, be sure your credit is right and resolve to settle your bills promptly for such timely purchases when they are due. You are a vital link in the credit chain and every time you fail to meet your obligations promptly, you make it impossible or burdensome for those from whom you buy to meet their own obligations."

The holiday shopping rush of a year ago was the occasion for an advertisement of reason-why copy on the subject of returned merchandise. Its title read: "One Reason for the High Cost of Living—RETURNED GOODS." The copy explained that, in setting the selling prices on his goods, the merchant must take into consideration all his costs, and that one of the items of cost is the expense incurred through permitting customers to take goods home on approval.

"So universal is the habit of ordering things sent on approval," one of the paragraphs pointed out in a good example of straightforward copy, "that only a few of the most intrepid merchants of the country have dared to take a stand against it, although they know that by so doing they would be enabled to decrease their prices, thus benefiting their customers, not only in the matter of lower prices but in the most important matter of being enabled always to have on hand a perfectly clean, previously unhandled stock."

Taking the example of a gown sent to a home on approval and later returned to the store, the copy recited in detail each step and each item of expense involved in that single act of service—the time of the saleswoman in making the sale, the time of the bundle-wrapper, the time of the deliveryman in taking the gown to the customer's home and then returning it to the store, the time required to clean and press the gown and get it into shape to be returned to stock and the time of the saleswoman required to return it to its original place.

"Now," the copy continued, "stop for a moment and reflect upon the hundreds of such instances involved each day in the operation of a store. This expense can be wiped out, or, at least, largely nullified, if everyone who reads this will vow not to request that goods be sent home on approval. Take your time in shopping. Be well assured you are going to want to keep what you buy—and then keep it."

Of a purely instructive nature was a half-page ad headed "Making Credit Easier." The copy set out to explain the procedure of opening a charge account, to show the reasons for the "number of questions, more or less personal" that the credit manager asks the credit applicant—questions concerning his full name, references, income, address and so on. The copy concluded with this paragraph:

"Ready co-operation from those asking credit establishes at once a frank and liberal understanding between both parties. This can be secured quickly by carefully and freely giving replies to questions asked. Rest assured that none but necessary

(Continued on page 44)

What Are Shelves For?

By WILBUR HALL

THE TELEGRAM from Henry Slaughter could not have come at a worse time. Vail felt as might a pugilist who, weak and half-dazed, and praying for the gong, is caught with his guard relaxing and sent to the canvas with a finishing punch. His own business hung by a hair, creditors were becoming unpleasant—"After twenty years with them, too!" he thought—and the big, cluttered department store clung to his back night and day like a fabled Old Man of the Sea. And now this pitiful message from his best friend:

> Board of Trade threatening; ten thousand will save me. Can you let me have it? Henry.

Vail groaned.

"Ten thousand!" he muttered. "I've borrowed three times that from him in a pinch and now I can't fall down! What's wrong with us?"

As far as Slaughter was concerned Vail felt he knew the answer. The Slaughter Furniture Company, in the state capital, had gone swimmingly until the war. At that time furniture buying had been cut off as sharply as if with a knife; it had just simply ceased. With the end of the war and re-adjustment the Slaughter Company had made a desperate move, selling at pre-war prices and moving practically every article in the extensive store. Meantime Henry Slaughter, drunk with the money that came rolling in, had bought heavily, at ruinous prices, in order to keep his store filled. Now, with the banks shutting down on credit, the retail market in Slaughter's territory rather glutted, for the moment, and prices on new stock that made old customers gasp—well, things must be shaky if Henry would wire for ten thousand!

But what was wrong with the J. F. Vail Company? That came close home—perhaps for that reason it was a harder question to answer. Vail had been trying to answer it for months. He was tired trying. He was sick all over. Up to two years before he had done practically all the business of his little city; then the new New York-Paris had opened its gilt and plate glass doors to a gaping populace and they—fickle and ungrateful—had flocked



"Now, look a-here, Mistah Vail, eah!" he exclaimed; "Ah reckons you means all right, but Ah don' want to get into no discussion 'bout'n shelves. No, sah! Did you eveh stop to think, Mistah Vail, what's shelves fo'?"

through those doors and continued to do so. Vail kept a great many, of course—the best people in Milton still bought of him; and he had drawn hundreds of buyers by means of the somewhat spectacular advertising managed for him by an imported wonder named J. Warren Brown. But the backbone of his business was broken. His shelves were crowded with goods, his prices, everything considered, were reasonable, and his time-worn slogan, "The House of Courtesy," continued to be kept alive and real throughout the establishment. Something was radically wrong, and J. F. knew it—and yet he could not name it. Of course the ten thousand must go to Henry Slaughter, even if he had to close his own doors to "make the riffle." But it was a wrench.

He rang his bell for a messenger from the manager's office and reached for his personal check book.

The money was sent by wire—nothing slower would do, with old Henry caught in the door!—and Vail tried to turn to the details of his own business again and forget his troubles and those of his friend. But it was easier to plan than to do. Slaughter's crisis had come as a shock—and a warning! At three o'clock he called his manager in and locked the office door.

"I'm worried, Sam," he said, shortly; "and I'm not going to unlock that door until I get the worry off my chest. Better light up and settle back, because this session may last."

Samuel Wood was an old style floorwalker, elevated to managerial honors mainly as a reward for loyalty and long service. He was a handsome and dignified man of middle age and he knew the store like a book, but he had about as much executive capacity as he had ability to dispense sodas at the confectionery counter on the first floor. The real manager of the store was J. F. Vail, and both of them knew it.

"Worried?" Wood echoed, clearing his throat. "Ahem! I am sorry to hear that, J. F. It seemed to me that we were doing better lately."

"We aren't!" Vail snapped. "Now and again we take a spurt, but at the end of the year we're going to be dragging our heels. I've got to find out why."

The older man lighted his cigar, sitting very straight and pulling a long face.

"I have been in this establishment twenty-three years this summer, J. F.," he began, ponderously; "and I think I know something about it. When I entered your father's employ he had one small store on F street, and if we did a thousand dollars' worth of business a month we thought it very good indeed. I have watched the store grow until it now does that much on one floor in one day. I should think you ought to be satisfied."

"I'm not, Sam. You can't tell the speed of an automobile by the number of revolutions its wheels make. We aren't operating with a profit big enough to meet our overhead and our bills."

"Surely the trouble isn't with our stock."

"No. We are crowded with stock—mainly good goods. We are giving service; and in number of transactions we are holding up in spite of the New York-Paris place. But there is no net!"

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"Perhaps our prices ought to go up a little," Wood suggested.

"Not a whisper!" Vail snapped, sharply. "If I can't sell goods at a reasonable price I am going to close my doors. That has always been my policy, and I'll fail before I'll change it."

"There is no leak anywhere? I read the other day that a great many establishments—"

"Blind lead, Sam!" Vail interrupted. "I keep a pretty close check on the holes. It's something fundamental, if we could put our fingers on it."

He walked across to the window and stood looking into the street. The store manager studied his shoe-tips, his mind floundering with the problem and getting more confused with each new train of thought. Presently Vail uttered a sharp exclamation.

"By George, I've an idea, Sam! You wait here a minute, and I'll be right back. I'm going out to ask a few questions of a competitor."

"You mean Deming?"

"No. In the fruit business."

"The California?"

"No. Come here and I'll show you."

A good deal puzzled, Wood crossed to the window. Vail pointed down to the opposite curb where, behind a push-cart half laden with bananas and oranges, there stood a fat negro with one arm.

"Link Johnson is my man," the merchant said. "I believe he can pin my troubles to the wall for me in two minutes." He stopped, laughing at the rueful face of his manager. "No, I'm not crazy, Sam—not anywhere near it. Wait until you see!"

He was out and down to the street with that, Wood watching curiously, and not entirely convinced by Vail's declaration of sanity.

The negro was a town character, a former railroad porter who had lost his arm in a wreck and whose pension alone was not sufficient to keep him and his growing brood of children fed and sheltered. His trade was brisk, not only because his wares were good but because he mingled business with a homely philosophy that took with his customers. Vail approached him as one friend to another.

"Look here, Link," he said, genially; "I've got a business problem in the store that I think you can help me out on. Would ten dollars tempt you any?"

The old negro grinned from ear to ear.

"Mistah Vail, sah, Ah's mighty easy tempted! Go on an' recite dem inquiries in mah yea', sah!"

"Maybe I'll be too personal, Link. If I am, you stop me. How much do you invest in fruit every day—can you tell me that?"

"Yes, sah. Ah invests 'bout'n twenty dollahs—when Ah has it."

"How much fruit do you lose in a day?"

"When Ah kin keep awake 'n' watchin' fo' dem doggone boys Ah don't lose none, sah. De Texas Stah Rest'rawnt 'n' Cafe down on Brewste' street takes all what'n Ah don't retail to mah customahs."

"I see. Now, here's a question that may stop you. Don't answer it if you don't want to. How much profit do you make a day, Link?"

"Well, sah, Ah don't mind a-tellin' you, Mistah Vail. All us business men's got to stan' togetheh, Ah reckon. Ah makes aroun' foh dollahs, countin' come-day, go-day. Sometimes moh, sometimes no moh."

"You have to pay a city license, and paint your cart once in a while?"

"Yes, sah. Ah counts dat in de 'spenses."

"Figuring your overhead, then, you net about twenty per cent?"

"Ah don't figger in none o' them high-soundin' ways, Mistah Vail, sah. Ah figgers on a slate."

Vail laughed and the negro contributed another of his face-splitting grins.

"I see, Link. Well, it amounts to that, at any rate. That's a very fair return on your investment, I should say—twenty per cent. But you must need more money. Why don't you get a bigger tray on your cart, or put up a couple of shelves? If you could carry more fruit you could—"

The negro seized his arm and straightened.

"Now, look a-here, Mistah Vail, sah!" he exclaimed; "Ah reckons you means all right, but Ah don' want to get into no discussion 'bout'n shelves. No, sah! Did you eveh stop to think, Mistah Vail, what's shelves fo'?"

"How do you mean, Link? You could—"

"Well, sah, Ah'll tell you what's shelves fo', Mistah Vail," the street vender interrupted. "Dey's to put things away on, dat's what. Mah ol' woman's got a boilin' of 'em in de cabin, 'n' s'posin' Ah wants to find anything, reckon Ah kin? No, sah! Might's well look in a pecan woods fer a shingle nail. Go puttin' things on a shelf, 'n' dey's gone! Ah don' want no truck wid shelves nohow!"

J. F. Vail was standing with his mouth open—and he knew it—and didn't care. He had come down to talk about quick turnovers. He had seen suddenly that one trouble with his store was a big stock, moving sluggishly, and he wanted a breath of air, a little laugh with the quaint vendor, and the resultant mental stimulus for his own line of thinking. And he had gotten a jolt that straightened him up with his back creaking!

What are shelves for?

It was a question he would have gone a lifetime without confronting. He visualized his own big establishment—crowded from the storeroom in the basement to the shoprooms on the fourth with tier after tier of shelves, packed, stuffed, overflowing with merchandise. He had always said, as his father had said before him, that he would not clutter up his broad, clean aisles with catch-penny table sales. He had been proud of the appearance of the floors, one above the other, especially after his occasional visits to other and more modern mercantile establishments. Shelves were the places—

"To put things away on!"

Vail did not credit the negro with uncanny business acumen. Link was following the line of least resistance; he did not want to complicate a profitable and satisfactory business with problems. He had a prejudice against shelves—Vail could imagine him hunting for a shoelace or a pair of old boots in Mammy Johnson's cluttered closets; could hear him grunting his disapproval. And yet, as a matter of fact, Link Johnson had stumbled on a great merchandising truth: Profits are in the quick turnover and the quick turnover is impeded when stock is allowed to accumulate. Of course! As simple as that!

Vail took a twenty-dollar bill from his wallet and laid it on the negro's cart.

"I tempted you with ten, Link," he said, smiling; "but you sold me more than I came to buy. Thanks—and good luck!"



He stands just inside the entrance to take your umbrella in the winter or to give you welcome and open the door for you in summer

(Continued on page 33)

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Say It With Flowers—By Wire

A Glimpse at the Machinery That Makes It Possible for a Man in Detroit to Dispatch Flowers to His Family in Cairo, Egypt

By NORMAN BEASLEY

NOT MANY WEEKS ago an attorney went into the store of the Bemb Floral Company, in Detroit, with this request:

"My wife and daughter are traveling in Egypt. My daughter's birthday falls on the same day that they are in Cairo. Is it possible for you to deliver flowers to her on that day?"

"Yes, sir," replied the clerk.

"Can you have them in her room the morning she arrives at the hotel, and can you also have flowers on the breakfast table? I understand their party lands shortly before eight o'clock."

"Yes, sir."

The order was given. The flowers were delivered on schedule. When the young woman and her mother arrived in the hotel thousands of miles from home, there, in front of her in her room, was a beautiful bouquet. Downstairs, on the breakfast table, was another floral decoration. There were flowers, too, for her mother. There, too, were cards from the husband and father, conveying appropriate greetings.

The attorney couldn't understand it. Afterwards he returned to the store and asked how it was done.

He was told—and that is what this article also tells.

The Florists' Telegraph Delivery Association is an organization with members all over the world. It is possible for you to go into a store of a member of the association and have flowers delivered almost anywhere. These flowers will be exactly what you pay for. They will be delivered exactly when you want them delivered. Of course, mistakes will occur. They always do, no matter how well organized a company may be. Let's see what happens when they do occur.

"The Flower Shop" in Rock Island, Ill., received an order one day for a bunch of roses to be delivered to a young woman who was to sail the following morning from San Francisco for Honolulu.

The owner of "The Flower Shop" telegraphed to Julius Eppstein, in San Francisco, giving the order. Eppstein's acknowledgment of the order explains all.

It follows:

"In reference to 'The Flower Shop' order of July 13 for red roses to be delivered to Miss Anna E. Hebel, sailing on the steamship Matsonia, wish to state that our delivery machine met with an accident while going to the boat. The box of roses did not reach the wharf until the steamer had sailed. However, we sent a wireless message to Miss Hebel stating the case and we also cabled our correspondent in Honolulu to have a box of choice red roses placed on board the Matsonia as soon as she reached port. The delivery was made. We hope this explanation is satisfactory."

THERE'S an illustration of how far members of the F. T. D. go to give service. An even better illustration came out of Egypt.

A New York financier's family was wintering on the Nile. He wished to have flowers delivered to his wife on a certain day and he placed the order accordingly. He gave the name of the boat on which his wife was traveling and this information was sent to the florist in Cairo.

It so happened that the boat was disabled about 150 miles from her destination. The Cairo florist wired up the river to a florist near the place where the boat was held up and this florist, in turn, engaged a fast launch and delivered the flowers on time!

"Say It With Flowers" has become more than an international slogan. It has become a good-sized business.

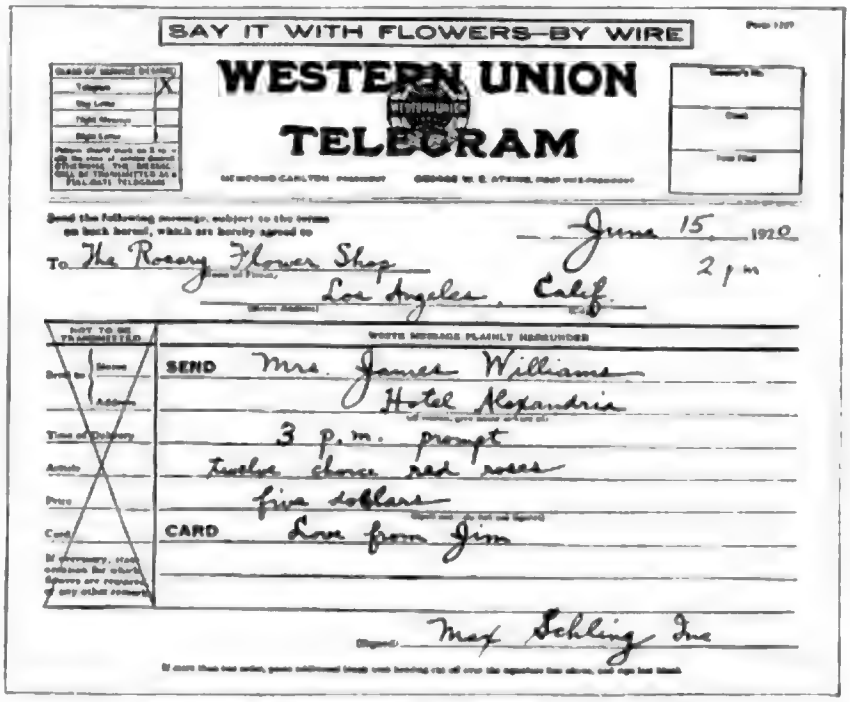
Last year's volume was more than $4,000,000—telegraph orders alone—and it is estimated that the $10,000,000 mark will be reached before another two years. The big week of the entire year is, of course, the week of Mother's Day. One Detroit florist sent out more than $6,000 worth of orders during this one week—and received almost an equal amount. The association numbers very close to 1,800 members. In 1918 there were 600 members. In 1912 there were 57. It is generally predicted that before 1925 there will be 10,000 members. The membership is actually growing so fast that it keeps one clerk busy all the time keeping track of them.

Florists are becoming heavy advertisers in the newspapers and national magazines. They are working in harmony and co-operation better, perhaps, than any other organization in the world. It is a business that represents the outlay of many, many millions of dollars each year and there isn't a florist but believes that his field of activities has scarcely been scratched.

Here is how they do it.

The Western Union Telegraph Company thinks so well of the business that it has issued a special telegraph blank for florists. It also co-operates with the association in putting in window displays in hundreds of cities during Mother's Day week, as well as on other special occasions.

A customer steps into a florist's shop in Denver, and asks to have flowers delivered to his mother in New Orleans at a certain hour on a certain day. The Denver florist telegraphs the New Orleans florist, telling him what is wanted, the price of the bouquet, where to deliver it, and when—also what to write on the accompanying card. The New Orleans florist confirms the order. The florist sending the message


SAY IT WITH FLOWERS—BY WIRE

WESTERN UNION TELEGRAM

June 15 1920

2 p m

To The Rosary Flower Shop

Los Angeles, Calif.

SEND Mrs. James Williams

Hotel Alexandria

3 p. m. prompt

twelve choice red roses

five dollars

CARD Love from Jim

May Schling Inc

Special telegraph blank used for transmitting orders for flowers

knows, then, that his order will be filled.

A great difficulty is encountered in sending orders to fast-growing cities, or where there is an ever-changing population. Summer and winter resorts also cause much trouble, as visitors are continually moving in and out of hotels. Florists have a list of such places and they are very careful in taking the order to find out the exact spot where the recipient will be. He thereby saves the florist in the other city a great deal of trouble in making the delivery.

As to payment, members work under these clauses in the constitution:

"All orders shall be exchanged between members at retail prices. On all orders given by any member of the association to another member of the association, the member giving the order shall take a discount of 20 per cent on the gross amount of the order, when remitting to the member filling the order.

"The offering, or allowing, of a larger discount than 20 per cent shall be construed as evidence of exorbitant prices or inferior service. The acceptance of a smaller discount than 20 per cent shall be construed as evidence of inferior service. Members are positively prohibited from submitting orders to others than those in the retail trade. Any violation of this section shall be referred to the arbitration committee.

"Invoices for orders exchanged between members shall be mailed within ten days after the order is transmitted and the remittance therefor shall be made forty-five days thereafter.

"Any invoice not paid within forty-five days after being rendered, the discount of 20 per cent provided in these by-laws shall become forfeited, and the gross amount thereof shall become due and payable, and payment shall be made through the secretary of the association. The member rendering all such invoices shall send an itemized statement of the amount to the secretary of the association within sixty days after rendition thereof, and for his failure to do so he shall forfeit his right to receive payment for the account out of the guarantee fund.

"The secretary shall at once notify the delinquent debtor that such bill has been filed with him, and shall keep a record of each account so filed. If the debtor disputes the amount he shall at once remit to the secretary the amount claimed as due, and ask to have the matter referred to the arbitration committee. If there is only a portion of the amount in dispute, the uncontested portion shall be remitted to the claimant by the secretary and the remainder held to await the award of the arbitration committee.

"If any member fails to remit to the secretary, as provided above, within ten days after the mailing of such notice by the secretary, the account presented shall be made by the association out of the guarantee fund.

"The delinquent debtor shall be notified of the payment of his debt by the association, and that if he does not reimburse the association for the amount paid within ten days his membership in the association shall cease."



How the Western Union is co-operating with the F. T. D. in the matter of window displays

THOSE by-laws are pretty drastic, in spots. But they are enforced.

Not many florists are willing to take a chance on being expelled from an association that means much to them. An association, such as the F. T. D., means just as many agencies, all operating at a profit and without an "overhead" for each concern, as there are members of the association. In rare instances are bills permitted to run more than thirty days. The organization's offices are kept busy, of course, on collections—but, for the most part, these collections are made from florists who are not members.

The list of members is issued each month and if a member's name does not appear it means that he has lost a lot of possible business.

A New York member, for instance, would have to refer to the list to find out who to do business with in Seattle. No one is capable of remembering the names and addresses of all the members; naturally, then, he depends on his list.

The association maintains its guarantee fund. It contains more than $15,000, and the retailer cannot afford to stay out because it is the only means whereby he can obtain guaranteed results.

The guarantee fund is obtained from money which has been paid in and which is divided into two regular funds—one called the general fund; the other the guarantee fund.

The dues are divided this way:

Stores in cities of 500,000, and more, shall pay $50 yearly.

Stores in cities of 250,000 and less, shall pay $20 yearly.

Stores in cities of 100,000, and less, shall pay $20 yearly.

Stores in cities of 50,000 and less, shall pay $15 yearly.

Stores in cities of 25,000, and less, shall pay $10 yearly.

Stores in cities of 10,000, and less, shall pay $5 yearly.

The tremendous increase in the business has been accomplished only through two means:

Co-operation!

Publicity!

The idea of such a system was conceived in 1892. The plan of organization was accomplished and the idea placed before the retail florists. But like many other things, the thought remained right where it had started. The association died a painless—and natural—death.

In 1909 J. A. Valentine, of Denver, Colo., revived the idea. He gave plenty of thought and push to it so the organization started pretty bravely. Unforeseen complications occurred, however, and in 1912 the organization practically ceased to function. A few years later things became brighter again, and the association once more started off. This time the driving force was supplied by two Detroit men, Philip Breitmeyer and Albert Pochelon.

It is estimated that members of the F. T. D. serve with flowers more than 200,000,000 persons. The organization covers the United States and Canada pretty thoroughly, and it is spreading very rapidly over Europe, Asia, Africa and Australia.

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Analyze Your Selling Market

How Many People Does Your Territory Support, What Is Their Buying Capacity And What Kinds of Merchandise Do They Buy?

By CHARLES E. DUFFIE

A MERCHANT in a little town in Nebraska was very much disturbed because his stock of children's shoes did not seem to pay him the profit he had expected. On his next trip to market he mentioned the fact to his wholesaler.

It happened that this particular house is one that maintains a research department, and the credit manager tactfully suggested that perhaps it would be well if an investigator accompanied the merchant home to look into conditions. The offer was eagerly accepted.

When the investigator arrived, one glance at the shelves told him volumes. The stock was very much heavier than it should have been. An actual inventory of the stock, however, showed an astonishing condition. There were enough children's shoes on the shelves to supply every child in the entire county for at least three years!



Infants' and Children's Department, Keith-O'Brien Company, Salt Lake City

The merchant was very much crestfallen. "I don't know how you know I have enough shoes to keep all the children in this county supplied for three years," he said, "but I am willing to believe you. Had I known what I was doing when I made my various purchases, there isn't a salesman living who could have sold me shoes to this extent."

"The trouble," said the investigator, "is that you don't know your market well enough. You are in a prosperous community and are doing a good shoe business. The salesmen showed you shoes you knew should sell, and so you kept on buying.

"You didn't realize that any community can absorb only a certain amount of merchandise, no matter whether it is shoes, underwear, hosiery or farm implements. Any trading community may be compared to a sponge. The sponge will absorb just so much water; the community will absorb just so much merchandise.

"Before we left the city I took occasion to look up your town and your trade territory in the census reports. The volume containing reports by states, counties and other civil divisions gives detailed figures by counties and even townships, with a comparison showing the increase or decrease over a period of many years. It gives the land area by counties, with population per square mile, the color and nativity of the people, the school attendance, and other important facts regarding the people in any particular community. The volume on age and sex distribution tells how many people of different ages and of each sex are in any given territory.

"All I did was to learn from the census reports how many children there were in your county in 1910, add a liberal percentage for increase in population, and then compare these figures against your stock. You know the result."

There was a clearance sale in that store, a little later, which reduced stocks to the normal basis. As a result of this sale business was dull for a time, but eventually it picked up, and since then the stock of children's shoes has produced a satisfactory profit.

The most valuable information a merchant can have is not the current price of sugar, muslin or canned goods. Instead it is the number of people in his trade territory and what each individually is capable of spending yearly for the goods carried in stock. With these figures in hand, he is well safeguarded against either overbuying or underbuying; in addition to which he has data that tells him whether he is realizing his own sales possibilities.

What are any of us in business for? To make a profit, of course. How do we make profits? Principally in three ways: by proper management, by right buying, and by right selling.

We buy goods simply because we believe we can sell them again at a profit. Were it not for this possibility, none of us would buy a dollar's worth of merchandise from anyone.

Consequently the merchandise we buy for our stores is really nothing at all but a medium to sales. If the medium is suited to the people of the community—if it is something which they need, or which they can be made to want—then the sales will be good. On the other hand, if the medium is inappropriate, not needed by the people, or is out of their reach, financially, then the sales will be correspondingly poor. Knowing what the people want, and giving it to them, is one of the great secrets of merchandising success.

A certain large department store in one of the best central western states had a hosiery department of which it was very proud. The stock was extensive, and the advertising was clever. In fact, the store acquired a reputation for being the best place in the city for women to buy hosiery. And yet, at the end of the year, the profits were disappointing.

The manager of the department had become interested in commercial research, but he was unable to put his finger on the hole out of which the profits of his department seemed to be running. His stock was ample—of that he was certain. The sales were satisfactory, too, and the markup was high enough to show a good profit. Where was the difficulty?

He called in a friend who had made

(Continued on page 52)



"—but it would have been a long, hard day without a Royal"

THE Royal Typewriter speeds up the day's work and sets the pace to the quickstep of efficiency.

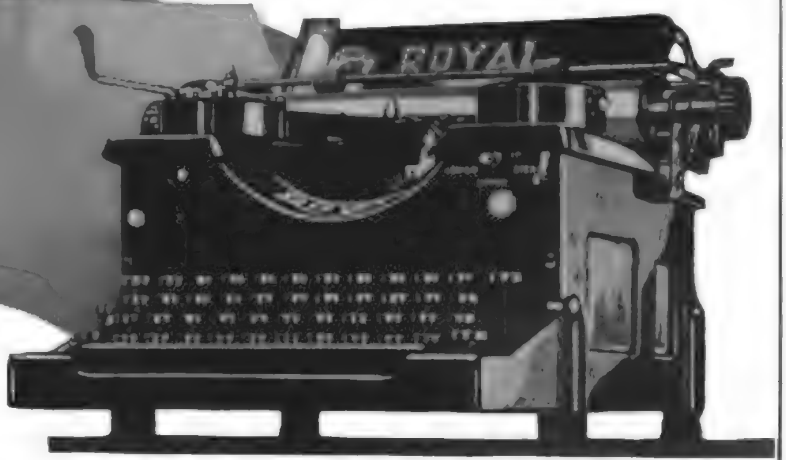
Because the Royal's rapid-fire action and adjustable personal touch takes the "grind" out of typewriting.

For it adds to the sensitive fingers of the typist the one vital thing that the old-style typewriter subtracts—speed!

The speed with brains behind it—the real-life speed of the expert typist, setting the pace that pays.

Errorless speed is the kind of speed that counts—common sense has punctured the illusion of the other kind.

All-day speed, throbbing evenly with the big, steady pulse of modern business—that's the speed of the Royal Typewriter.



"Compare the Work"

ROYAL TYPEWRITER COMPANY, Inc.
Royal Typewriter Building, 364-366 Broadway, New York
Branches and Agencies the World Over

ROYAL
TYPEWRITERS

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Modesty Is the Best Policy

By J. R. SPRAGUE

ONE EVENING in October of this year a man was driving a good automobile along a nice paved street on the outskirts of San Antonio, Texas. The temptation to let 'er out a little was strong; the man let 'er out. A motorcycle cop from nowhere raced up from behind and came abreast, holding up the menacing arm of the Law. All hands came to a stop.

"You can tell it to the judge tomorrow morning at nine," said the motorcycle cop.

"Why, surely I couldn't have been going much more than eighteen miles an hour," replied the automobilist firmly.

"Maybe so," said the motorcycle cop, getting out his book, "but I had to go seventy miles to catch up with you. What's your name?"

"My name is Watson," responded the automobilist despondently; "J. M. Watson."

At the announcement of the name the officer's demeanor changed. He put his book back in his pocket without having written a word in it. He leaned against his motorcycle in an easy conversational way, a friend, not a policeman.

"Why I didn't recognize you, Mr. Watson," he said cordially. "Maybe you don't remember me even now. But you ought to. I was the errand boy for a couple of years when you first had the Guarantee Shoe Store down on Commerce street."

His tone became reminiscent. "Those were the good old times," he said. "Don't you remember those ads you had printed on cardboard with a hole punched in one end for a loop of string so they could be hung on people's door knobs? Don't you remember how you and I used to go out almost every night and hang those ads on door knobs all over town? You used to give me fifty cents extra for it."

"Yes, I remember," answered J. M. Watson, who is still proprietor of the Guarantee Shoe Store. "You and I were good advertising men fifteen years ago."

"You bet we were," responded the motorcycle cop, full of enthusiasm for the good old times. "But the best stunt we ever pulled off was when you and me horned in on that labor day parade, both carrying a banner that said the Guarantee was selling all low shoes at one-third off regular price."

J. M. Watson leaned forward to shake his former errand boy heartily by the hand.

"I always meant to give you a pair of shoes for your work that day," he said. "Suppose you come down to the store and get them tomorrow. Tell one of the floorwalkers to show you how to get upstairs to my office."

"The thanks is all mine," said the motorcycle cop cordially. "I'll sure be there. And say, Mr. Watson. Forget what I said about the judge. Good night."

Watson told me the foregoing story with a pleased smile on his face. Evidently, he, too, likes to think about the good old times when he went out nights personally to hang ads on people's front doors, painted signs on his show windows describing the bargains within, or ran bareheaded down the street to overhaul a customer who had got out of the store without being waited on.

The Guarantee Shoe Company, J. M. Watson, proprietor, is one of the big concerns of the South. It employs one hundred people. Its newspaper and outdoor advertising are held up as models at ad men's conventions. It dominates the shoe business of its community in a remarkable manner. San Antonio has somewhat less than 200,000 population, yet the Guarantee's sales last year amounted to almost $900,000.

WATSON'S experience in the shoe business dates back to the time when he was seventeen years old; without asking a direct question I should judge that to be about twenty-five years ago. It was in Springfield, Missouri. He had driven in from the farm with a load of apples and having satisfactorily disposed of them, he took a dollar and a quarter of the proceeds and went to the leading shoe store to buy himself a pair of shoes. The dollar and a quarter shoe of those days will readily be remembered by any man past forty who had the fortune to be reared in the country. It lacked style but was serviceable, being made of heavy split leather with a buckle strap across the front instead of laces. Its main drawback was that lumps of dirt would work in frequently as the wearer followed the harrow or cultivator across ploughed ground.

The youthful Mr. Watson sat luxuriously back on the store settee while his shoes were being fitted, and compared the life of a shoe salesman with that of a farmer. The reflection nerved him to a radical step.

"I sure would like to work in a store like this," he said. "You couldn't give me a job, could you?"

He had hit the iron while it was hot. The store force consisted of the two proprietors and a colored boy porter; and the colored boy had not shown up that morning.

"We might let you do the porter work and give you a chance to learn selling," said the shoe man. "The wages are three dollars a week."

Young Mr. Watson thought fast. "I've got fifty dollars saved up at home," he said, "If I can get board and room in town for three dollars a week I'll take your job. Probably you can pay me a little more by the time my fifty dollars is used up."

He did even better than he expected, obtaining table board for two-fifty a week, while the warm-hearted shoe man let him sleep without charge on a cot in the back of the store along with the mop and step ladder. Watson worked in that store for three years, until it was sold out, eventually drawing a salary of ten dollars a week.

Leaving Springfield, Watson resolved to make a play for the big time and landed a job on State street, Chicago. It was indeed a big league store, employing more than one hundred people and run intensively to keep up with the high rents that prevailed even in those days on State street. His very first day yielded an experience that showed him the difference between big league and Class D methods.

Along about the middle of the afternoon there was a lull in business and Watson leaned gracefully against the little ledge which at that time formed the base of the shelving in all shoe stores. It was a pose which all shoe salesmen in Springfield used during dull moments and was considered quite the correct thing. But Watson was aroused from his easy reverie in a most unexpected manner. A nervous-appearing man suddenly appeared, grabbed him by the collar with both hands and shook him energetically.

"What's your name?" demanded the nervous man, who was the proprietor of the store.

Watson told him between shakes.

"How long have you worked here?" was the next demand.

Watson replied that it was his first day and he thought he was going to like the position very much.

"All right, I won't fire you then," said the boss grudgingly. "But don't you ever let me catch you leaning against things during business hours. Pretend to be busy!" He made a grab at some of the shoe boxes on the shelves pulling out two or three and shoving

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them back in their places again. "If you can't find anything else to work at, do this!" He glared at Watson menacingly as he juggled the shoe boxes. "How do you expect me to get customers in off State street," he concluded. "if my store looks like a funeral with all the clerks as mourners? Keep busy!"

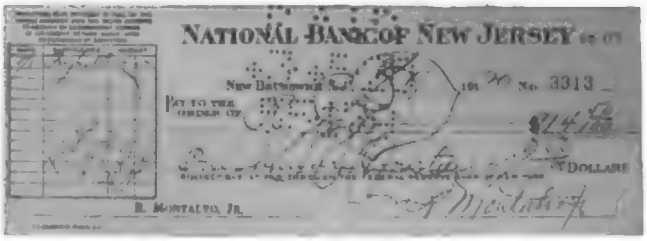
That was more than twenty-five years ago but Watson has made it his motto ever since. The Guarantee Shoe Company always looks busy, even though the mercury may be 100 in the shade and one could shoot a gun down the street without hitting anybody.

After a year on State street, Watson decided that he would like to be a drummer. He can give no reason for this desire, other than the fact that at twenty-one a man does not have reasons for anything. He just thought drumming would be fine, far away from the boss, stopping at regular hotels where the clerk would know him by name, and maybe taking a liberal buyer out to a show of an evening occasionally. Young salesmen of twenty-one without previous road experience are not usually given extra good contracts when they first start out as drummers. The western manager for a New England factory was willing to give Watson a trial on the road, but the best he would do was a straight four per cent commission on sales, Watson to finance himself.

Watson did not know then that the western manager was getting six per cent from the factory, thus making an easy two per cent on his new salesman's orders; probably he wouldn't have cared, because the main thing with him was to get out on the road and be a regular drummer.

Watson stuck to drumming nearly two years. At the end of that time he had fifteen hundred dollars saved up. Then one day in Chicago he met up with two other young salesmen who were traveling for the western manager at four per cent. The resulting conference developed the unanimous opinion that there was no big money in four per cent traveling when expenses were so high; some of the American plan hotels in the Middle West were charging as high as two dollars a day. One of the other travelers had been reared in Springfield, Missouri, along with Watson, and the three decided to go back there and open up a retail shoe store. One of them had $1,500 to match Watson's savings and the other managed to borrow a like amount from his father. The cash capital of the partnership, therefore, was $4,500, quite enough to make the trade of Springfield sit up and take notice.

There was a curious set of papers drawn up between the three partners to the effect that for a period of three years no one of them should draw more than ten dollars a week or get married.



Raised from $14 to $114.50—Illustrating how "crimping" over names or figures, to prevent erasure, simply helps the forger

This $14 check signed by a New Jersey music dealer is one of the many examples reaching us daily, of protection that is "only skin deep."

Real protection goes down *below the surface*, into the fibre of the paper.

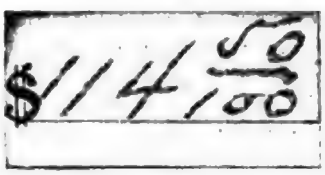
The Protectograph Check Writer "shreds" the full amount through and through the fibre of the paper, in words as plain as print, like this—

EXACTLY FOURTEEN DOLLARS NO CENTS

but in two colors—Amount words in Red, Denominations Black.

To protect the payee's name, date, endorsements, etc., requires PROTOD Forgery-Proof checks, made to order for Protectograph users only.

The combination of Protectograph and PROTOD Chemical-fibre Checks marks the only scientific method of complete forgery prevention. Used by thousands of the biggest banks and business houses on billions of checks, each one covered by our iron-clad Forgery Insurance policy, without a penny of loss, not a single claim ever presented. This is the Protectograph Anti-Forgery System.



Mr. Montalvo's check had a sensitive surface tint, which gives partial protection. When he took the added precaution to "crimp" over the figures he thought he was safe. But a trusted employee smoothed down the "crimp," inserted some words and figures and recrimped over the amount, thus proving that the protection was "only skin deep." He disappeared with a considerable sum in addition to this $100.50.

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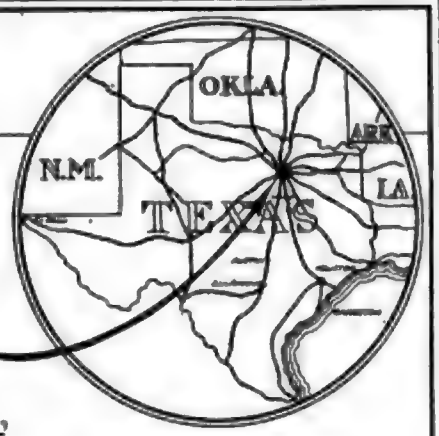
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City.....State.....Age?.....Position?.....
Education?.....Any practical experience?.....
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Resources, - - $20,000,000.00

Established 1873

The FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS.

The Springfield partnership lasted two years, at the end of which the member who had talked his father into putting up his $1,500 got dissatisfied; Watson and the other partner, Ruff by name, at once suggested that he get his father to put up some more money and buy them out. It was arranged; Watson got $2,900 for his interest, while Ruff, being a better trader, got a full $3,000. With this capital in hand Watson and Ruff set out to find a field where so much money could be profitably put to work.

This was in 1901 and the South was just beginning to get good. The young adventurers visited half a dozen southern cities, finally reaching San Antonio. At that time San Antonio, while having more than 60,000 population, was not a very snappy business town. The dry goods stores displayed bolts of cotton goods in their doorways; nearly all the stores kept open evenings; customers expected to buy goods for less than was marked on the tag; merchants stood on the sidewalk in front of their places of business and visited during dull hours.

In spite of these things the town looked good to Watson and Ruff. There was a shoe store for sale—a store that could be bought for seventy-five cents on the dollar. Like most things that can be had at bargain prices, there were a few drawbacks connected with it. It was not on the main business street; a good deal of the merchandise was out of date; the windows had not been washed for a long time. Possibly as a result of these things, the establishment's total sales for the year had been only $15,000—not a profitable volume surely, when it was considered that the rent, taxes, proprietor's living and wages of two clerks had to come out of the profits.

Nevertheless Watson and Ruff bought the place, turning over their cash capital to the owner and assuming the debts. Again they signed a salary and marriage agreement, pledging each other to draw only fifteen-dollar-a-week salaries and to remain single for a period of two years. They were taking no chances that a wife with extravagant notions should endanger the success of the new enterprise. They re-named the place the Guarantee Shoe Company and went to work.

First the place had to be made to look like a live one. They invested a few dollars in a wagonload of empty shoe boxes which, piled on the top shelves, gave customers the impression that there was an unlimited stock to select from. They cleaned out the show windows and put in snappy displays, using plenty of bright-colored crepe paper as background, for paper at that time was not only effective but cheap. Not being able to pay for newspaper publicity, they painted

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advertising signs on the sidewalk in white chalk letters. This sidewalk work was done in the dead of night; and following correct advertising rules, they changed the copy daily.

The Guarantee's first year showed total sales of $39,000, a fair increase over the $15,000 of the previous twelve months. At the end of the second year the firm was worth $15,000 above all debts; with all that capital Watson and Ruff felt that something should be done. Besides the burden of money there was a little question of temperament. Watson wanted to make the Guarantee an exclusive establishment handling only high-class lines, while Ruff's idea of business was to carry everything from the finest to the cheapest and let the public buy what it wanted.

About this time a shoe store in El Paso fell into the hands of its creditors and the stock was being offered at a bargain. Watson and Ruff decided it would be fine to operate two places so each might have a chance to try out his favorite style of merchandising. Accordingly, they scraped up all the cash they could get hold of and Ruff went to El Paso to buy the bankrupt business.

No sooner had Watson seen his partner get on the train than he began to worry. Ruff was a couple of years older than Watson; it was he, so far, who has taken the leadership; Watson had been content to trail along and just work. And so, when Watson realized that he was all alone in a great city with a shoe store depending on him for its sole guidance, he had a very bad attack of nerves. He stood the strain for two whole days and then sent a telegram to Ruff in El Paso, telling him not to buy the business there. Watson did not try to cover up his feelings, but stated plainly that he was afraid he was not competent to run the San Antonio store by himself. Ruff's telegram in reply gave him a jolt. It read:

"YOUR MESSAGE ONE HOUR TOO LATE. I HAVE BOUGHT IT. YOU CAN RUN BUSINESS WELL AS ANYONE. WHERE IS YOUR NERVE?"

Right here is a point in psychology worth noting. Up to this time Watson had undervalued his abilities; as character does not change in a moment, he probably undervalued them for a good while afterward. Far be it from me to decry the popular idea that success depends entirely upon a man's having wonderful self-confidence.

But sometimes a little self-distrust is a good thing. It was so in Watson's case. Having the idea that he was not big enough to run the San Antonio store made him work for business about twice as hard as he would otherwise. It was during this period of his career



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The total floor space of the Allis-Chalmers Manufacturing Co., at Milwaukee, is 2,381,947 feet. Naturally, in a plant of this size, automatic signaling is a necessity and its Autocall is in daily service.

In this factory specific products are so routed that work on them progresses as they pass through the shop. That means one department head must be able to get into instant touch with another at any time. The Autocall makes this possible.

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In your factory, store, warehouse or office the Autocall can be of equal assistance. Let us explain it to you, no obligation on your part.



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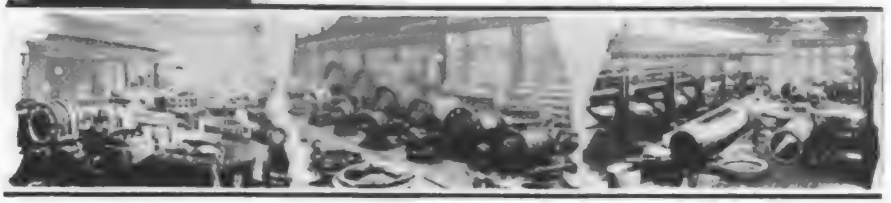
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Autocall

Conserves Time for Executives *Improves Telephone Service*



Tact in Stationery Pays

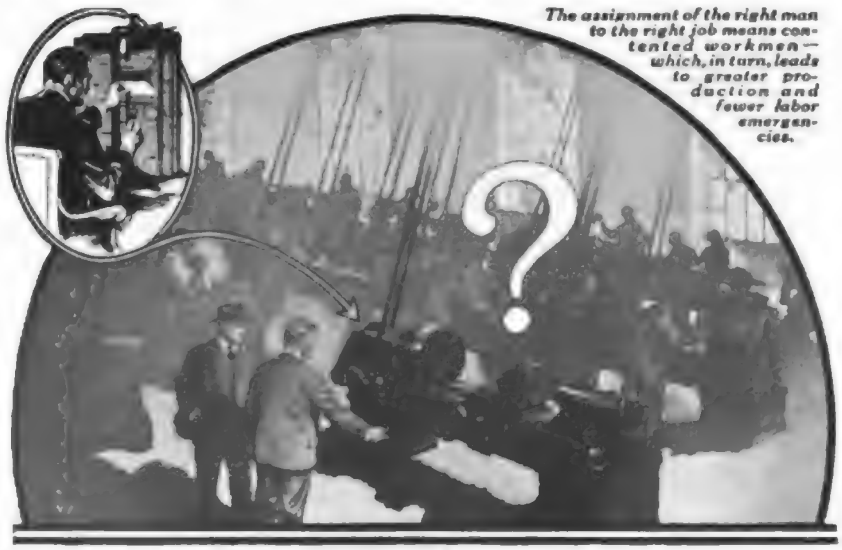
Fit your stationery to the customer or client; flatter him with better than he is accustomed to if you please, but don't imply, by using that which is tasteless or cheap, that he too is tasteless and inconsequential.

We shall be glad to show you what we mean by fit stationery if you will write on your own letterhead.

The Edwards & Franklin Co.

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"Burns has quit—who can fill his job?"

—and instantly Rand Visible Records indicate the wisest move

MEN suddenly quit, men on sick leave, men in unsuitable jobs—who can judge the tremendous losses in production due to high labor turnover? And today the spirit of unrest makes the percentage higher than ever before—while "overhead" is more costly than ever.

In many businesses success has rewarded the effort to hold down labor turnover, and it is remarkable how often the backbone of this effort is a Rand System of Visible Card-Records.

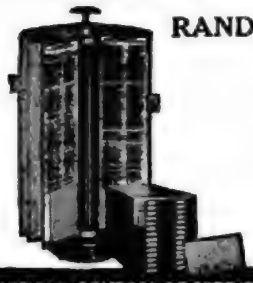
For Rand-displayed records fairly *visualize* each worker to the Personnel Director, the Manager, or the Superintendent. And what is more, Rand Equipment makes the records instantly accessible. You run your eye down the panel, which visualizes every name, till you see the one you want, then raise the card ahead—and all the facts are before you, ready to help you make an instant decision.

The Rand method of Visible Card-Records has made a most conspicuous success not only in solving the problem of Labor Control but also in Sales Promotion, Credit, Stock, Sales and Cost Records, and Production Control. The instant accessibility of these records substitutes *facts* for *theories* in the making of the executive's plans.

Visualize your present CARD-RECORDS on the Rand.

Our local office will be glad to confer with you about your particular problem—just phone today.

Or write direct for our Record Control Booklet. Address Dept. D-2.



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VISIBLE BUSINESS-CONTROL

VISIBLE CONTROL OF CREDITS · PRODUCTION · PERSONNEL · STOCK · SALES PROMOTION ·

that Watson and the future motorcycle policeman hung advertisements on people's door knobs and marched in parades.

Another point of business psychology crops up here, too. After a year of operating the El Paso and San Antonio stores as a partnership, Ruff and Watson decided that it would be better to separate, each owning the store he managed. Ruff has done as well as Watson, being the proprietor of a wholesale shoe house in Los Angeles as well as several retail stores. A few months ago they met and were talking over old times. Ruff called attention to the fact that they had both been pretty successful.

"The best move we made," he said, "was when we split up, going our separate ways. If we had stayed together, each of us would have deferred to the other and neither would have put his whole punch into the business."

The Guarantee is distinctly a one-man show. That is the reason why, in this story, I have written more about the proprietor than about the establishment. I know a young man who made a failure of his crockery store because he was so conceited that he did everything with a view to getting himself admired. If I were asked to put my finger on the one thing that has made the Guarantee the success it is, I should answer that the Guarantee has succeeded largely because its proprietor has no conceit at all. The Guarantee is a one-man show; but if Watson had to choose between having someone whack him on the back and tell him that he is the greatest merchant in Texas, or having a countryman properly fitted to a pair of work shoes, I am sure he would choose the latter.

A few years ago Watson conceived the idea of becoming a sort of a shoe king with stores scattered all over the map. It was the one time, he told me, when he let a little self-admiration creep into his plans.

"I guess some drummers had been 'stringing me' so as to get bigger orders," he said, "telling me that I was a wonder and altogether too smart to run only one establishment. I had visions of myself living in New York and pulling the strings that would operate stores in fifty different towns and cities."

In the pursuit of this ideal Watson did make a start on his chain of stores, opening up branches in Dallas, Fort Worth and Houston. The plan did not work out, and after a year of losses he took his medicine and closed them up. I asked him if he thought anyone not a manufacturer could operate a chain of shoe stores successfully.

"I see no reason why it couldn't be done," replied Watson, "if a man was smart enough to do it. As for myself, I just overestimated my ability. I

What the U. S. Government says about correspondence instruction

One accounting course measures up to official requirements

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The man who would succeed in business must constantly go forward. Wishing will get him nowhere—*training will get him anywhere.*

Accountancy-trained men are in particular demand. Undoubtedly you have been attracted by the possibilities of this, the most profitable business profession in the world.

But you demand satisfactory answers to two questions:

"*Is correspondence instruction really successful?*"

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"*Which institution has perfected this method of instruction to the highest possible degree?*"

Your Government maintains the Bureau of Education of the Department of the Interior for the benefit of men just like you. "Bulletin, 1920, No. 10" is an official publication of this department. A copy will be mailed you if you will send a dime to the Superintendent of Documents at Washington.

Let us quote you just a few passages:

"Correspondence study is an individual method of instruction, almost the only one now practiced on any large scale. Except in correspondence study, individual instruction has given place to the class method save for the favored few who are able to meet the higher cost of private teaching.

"In correspondence instruction each student receives continuous individual attention and assistance to meet his special needs throughout the course. It therefore serves not only as a practical resort when intensive study is required, but may in many cases be actually preferable to any other method within reach."

• • •

"Diligent inquiry has failed to find a single instance where a competent conscientious instructor has faithfully taught the same subject both in class and correspondence who does not find words of commendation for correspondence study. Many testify to getting better results by correspondence teaching than by class instruction. *Advanced students are competent witnesses and their testimony is overwhelmingly favorable.*" (The italics are ours.)

A recent investigation among our own graduates gives the most striking proof of this statement. We discovered an *average* increase in salary of 46% within fifteen months after enrollment.

. the best course for correspondence work is that which furnishes the student separate typed or mimeographed lessons containing all the material to be studied. This kind of course has four distinct advantages—it permits the instructor to avoid all the puzzling things of a textbook and to develop his subject with reference to the needs and methods of study of a particular class of students; it permits the instructor to change or modify the lessons as the need for change or modification becomes apparent; it permits the student to work easily in his spare time; it makes the student realize that he is getting individual attention and instruction."

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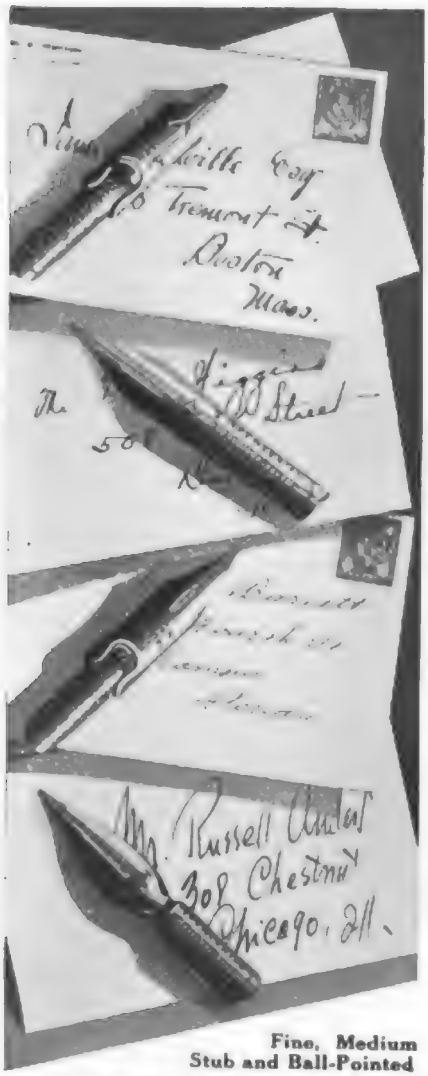
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wasn't big enough for the job, that's all."

I wondered how many men who had developed a nine-hundred-thousand-dollar business would have looked me in the eye and stated that they might not be as smart as someone else.

Ever since the Guarantee started it has been able to discount all its bills. This may appear unreasonable when it is remembered that Ruff and Watson brought less than six thousand dollars to San Antonio and their business increased from $15,000 to $39,000 the first year; any merchant knows that a growing business eats up capital unmercifully. When Watson was leaving Springfield to go south, a San Antonio woman who was living in the Missouri town gave him a lot of letters of introduction to her old friends. Most of them were addressed to people who might help Watson get invited to dances, but as he did not own a dress suit, and as fifteen dollars a week does not go far in society, he just forgot to present them.

One letter, however, was addressed to a banker and that one Watson presented promptly; it resulted in an initial credit of $5,000 for the new firm. Even with that help it was not always easy to earn the discounts. Watson confesses that in the early days he was very glad Texas was so far from market. A check mailed to a shoe manufacturer in Massachussetts would not get back to the San Antonio bank for payment for ten whole days.

Watson tells of a strong lesson in financing he had in his early experience. There was a yellow fever scare in San Antonio and the town was quarantined. Watson, thinking there might be no business for a while, fixed up a form letter which he mailed to all his creditors, stating the situation and asking for a little extra time on his indebtedness.

One of the first men to receive this communication was a jobber in Chicago who was on a very friendly basis with the Guarantee's proprietor. This man wired Watson that he had done a foolish thing if he had sent similar letters to all his creditors. The telegram added that Watson might draw on the sender for money in case there was any trouble.

There was trouble. Two firms promptly telegraphed their accounts to San Antonio attorneys with instructions to bring suit at once. They were taking no chances on a customer in a quarantined town who had openly said he might not be able to pay his bills when they fell due. The quarantine lasted only four days, anyhow, and with the generous aid of his Chicago friend Watson pleasantly paid the attorneys when they came in and scratched the two firms off his list of wholesalers. Watson says the incident

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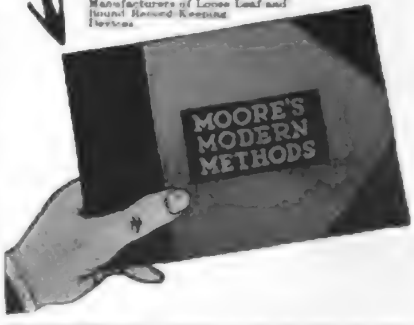
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Selling Aid 1208 Jackson Blvd. CHICAGO

was worth the trouble and gave him a new financial motto: "Never Holler Till You're Hurt."

A year or so ago Watson invented a chart for measuring feet at home, which he figured would make selling shoes by mail an easy and profitable business. He became quite wrought up over the prospects, getting out an elaborate catalogue and fitting up a complete mail order department. But the venture did not work out right; too many of the shoes sent out came back. Watson does not know whether the fault lay in the fitting chart which he had felt so proud of, or whether customers need the personal persuasion of a salesman to make them believe a pair of shoes really fits. But the result was the same in either case; two pairs of shoes out of every five came back.

Here again Watson's lack of conceit saved him money. As soon as he found out that his chart would not sell shoes profitably he scrapped it, even though it had been his favorite brain child.

In the Guarantee there is a system of salesmanship which, it seems to me, might profitably be used in any line of business.

There are two floor men who meet all callers at the front, find out what they want and assign them to salesmen; the latter do not go forward and grab off the prosperous-looking customers first, as unfortunately is done in some stores. If a salesman has a hard time with a customer and thinks there is danger of losing a sale, he sends up a distress signal. I have watched the Guarantee salesmen at work and never have been able to learn exactly what the signal is, but anyhow whenever one of them finds himself in a fix he does something that immediately brings a floor man to the rescue. The latter politely butts in, bringing a fresh salesman with him.

"Excuse me," says the floor man to the customer, "but Mr. Johnson has been called for in another part of the store. I wonder if you would mind if Mr. Smith waits on you. He is probably more familiar with this department, anyhow."

The change of voice, or personality, or whatever it is that works on the customer's emotions, usually turns defeat into victory. From accurate tallies kept by the Guarantee for several years past, it is found that 75 per cent of the customers given up as hopeless by one salesman are sold by the substitute.

The Guarantee is getting ready to move into larger quarters next year. The new place has a ninety-foot front, which will make it by far the largest shoe store in the South. Quarters like that cost a lot of money. I asked Watson what he would do if expenses should run too fast for the sales.

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Are you placer mining for ideas—





—or merely hunting stray nuggets?

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What They Say:

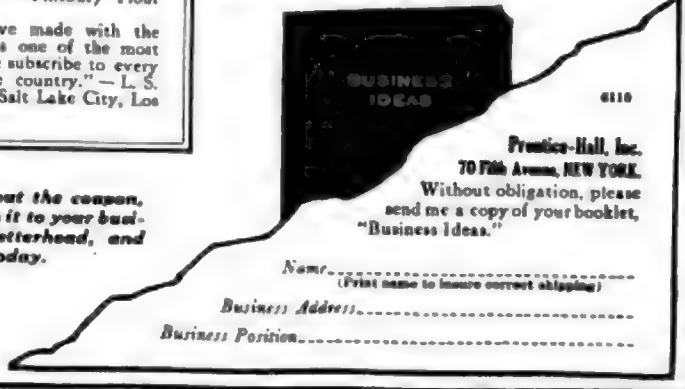
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Deposit Books made by William Mann Company are of the finest quality and reflect strength, dignity and refinement.

Due to the high cost of leather, we recommend that you have your Deposit Books bound in Mancotine—an imitation leather which does not in any way detract from the appearance or quality.

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Stromberg-Carlson Tel. Mfg. Co. B121
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Please send me your book "Why Walk" and further descriptive matter.

NAME

ADDRESS

"What do you think I would do?" "Do I look like a man who would keep on losing money just for the fun of having a big store."

He showed some feeling as he leaned toward me to answer his own question.

"If the big place shouldn't pay," he said, "I would move back into a smaller place just as soon as I could get rid of the high-priced lease. Then I would tell the people through the newspapers that I wasn't so smart as I had thought."

Head Work

By JOHN J. JENNINGS

THE CUSTOMER sends in a written order for so many barrels of XX flour and twenty pounds of Maple Leaf coffee. The shipper sends him coffee, twenty pounds, with a maple leaf on the label and the required number of barrels of flour marked XX.

That's automatic service, the lowest form of mental activity, but—

The customer orders a "water sheep" and equipment; the shipper sends him a hydraulic ram.

The order blank says "sacred candy"; divinity fudge fills the bill.

"I stutter awfully, and I've got a stoppage in my speech when I try to write—can't think of what I want to say, but I want a rifle that reminds me of myself," the letter reads. A few days after the order is shipped the customer writes back that "that 'repeater' rifle was just what I wanted, but I couldn't think of it to save my life."

"I'm leaving for Paris tomorrow. Please send me a 'jewel' language book at once," is a bit subtle, but a French-English dictionary reached the customer in plenty of time.

"Please send me a quart of tea for Christmas and a few remarks by Mr. Showpan," was a poser, but in view of the fact that the order came from the chairman of the local music committee, a Christmas quartette and Chopin's Funeral March went back and stayed put.

When an exceedingly absent-minded buyer, a typical college professor of the comic press, telephoned in a very nice order to be sent by express, he just couldn't recall the name of the station to which it was to be addressed.

"The only light I can give you is that it isn't 'Whiskey Straight' but reminds me of it," the absent-minded one explained.

The goods were promptly packed, shipped to Jamaica Plains, delivered and paid for.

And that's real head work—a near approach to genius.

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What Are Shelves For?

(Continued from page 19)

It was the negro's turn to stand open-mouthed. J. F. Vail went across the street and into his big store at a sort of dog-trot. His clerks stared; those who had guilty consciences trembled. He was looking them and their departments and their shelves over with a concentrated, searching air that seemed to bode them no good. Staring seemed the fashion; poor, perplexed old Sam Wood was staring stupidly when the chief confronted him again. But the latter did not notice his manager's face.

"Sam!" he cried; "I've got it. You're going to be promoted to the position of floor director and I'm going to take on a new man, as soon as I can find him, as campaign manager. We're going to tear down most of the store and rebuild. We're going to have a sale that will make the town of Milton and Webster County sit up nights and talk about us. We're going to change our whole policy, sink or swim, survive or perish! And Sam!"

"Y-yes, M-mister—I mean, J. F."

"Sam, my dear old fellow, in our new store there isn't going to be a drawer nor a bin nor a closet where a piece of stock can be hidden or put away or buried. Not one—and no shelves, Sam. Particularly and most emphatically, Sam—no shelves!"

J. F. Vail was not the sort of man to make plunges, and he found that his new policy had committed him to a change more radical than he had figured on in the first flush of enthusiasm. The Vail tradition was all against sensationalism; against catchpenny sales; against extremist measures and extravagant statements. But an inventory, begun at once and completed during a week-end holiday period that happened to include the Monday following, showed him things about the store that, in the light of his new vision, he had not dreamed were possible. Goods came out from hiding, goods that bore code signs indicating that they had been bought too many years before to be believed.

While old Sam Wood shook his head and confided to the cashier his conviction that J. F. had gone clean mad, the head of the firm closeted himself with his advertising man, the radical J. Warren Brown, and concocted a series of full-pages that looked like circus posters. Brown was in his element. He loved it. He surprised and surpassed himself. The J. F. Vail Company broke out in a sale that literally did cause Milton and its surrounding country to gasp. But the frugal housewives and buyers did not let their gasping interfere with taking J. F. at his word. The sale netted something under sixty thousand in

75 Copies a minute



ONE GIRL and a ROTOSPEED STENCIL DUPLICATOR will do the work of Fifty Typists

75 good, clean, sharp form letters a minute. That is what can be done in your own office by any stenographer or office boy.

Exact Form Letters—20c Per Thousand

Better form letters than you ever thought possible—letters with the clean cut appearance of neatly typed originals that exactly duplicate the typewriter type, can be printed at the rate of 75 per minute on the Rotospeed.

No Type, Trouble or Muss

The Rotospeed stencil is prepared quickly and easily. No type to set. Typewrite your letters on a sheet of stencil paper. Attach the stencil paper to the Rotospeed and turn the handle. That's all. A child can do it. The Rotospeed has a semi-automatic feed—self adjusting impression roll, an unlimited head-spacing device and improved receiving tray—all these exclusive advantages—yet, it's the simplest duplicator in the world.

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This machine does everything that a stencil duplicator can do. There are no accessories or higher priced models. The price includes full equipment and sufficient supplies for printing twenty-four jobs. The saving on this much work will pay the entire cost of the Rotospeed.

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We offer to place the Rotospeed in your office on trial. We do not employ salesmen. The machine must sell itself. Write for our proposition and the Rotospeed booklet. Let us show you how others in your line of business are increasing their profits and saving expense the Rotospeed way. Just sign and mail the coupon or pin it to your letterhead.

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Send me at once booklet, samples of work and details of the Rotospeed Free Trial Offer.

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"Machinery does it now, Miss Jones"

When I started in the business, keeping books was slow, painstaking work, although we all took pride in it.

Now this office has machinery for bookkeeping, posting and customers' statements, all done quickly and accurately.

You will use as much ledger paper in one day, Miss Jones, as I used in a month. In fact, the very paper you use has become a vital factor in your day's work.

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"Buyers" is the identifying trade-mark for this ledger paper; it is the mark of the paper maker, not the jobber, converter or stationer. The mill holds itself responsible for the maintenance of the "Buyers" standard in ledger paper.

Any printer or stationer can supply Buyers Ledger in your work; it is distributed nationally.

FREE TRIAL SHEETS—If you wish to experiment in your own office, without obligation whatsoever, send for 25 Trial Sheets of Buyers Ledger cut to 12x12 inches (standard package; if other size is desired, please specify). You decide whether Buyers Ledger will help your operators get out the work.

CHEMICAL PAPER MANUFACTURING CO.

Holyoke, Massachusetts

thirty days. People came from the capital to buy. The dusty, shelf-worn old stock melted away.

Meantime J. F. himself had taken two weeks off. "Never mind about the business, Sam!" he had said, to Wood's protests at his leaving in the middle of this rush. "Unless I'm greatly mistaken the sale will manage itself—and J. Warren will feed the flames!" Whereupon he had gone to the buying depots and restocked.

The new prices made him wince, but he was a shrewd purchaser, he knew his territory and he was ready to pay what amounted to cash for most of his goods. A heart-to-heart talk with his banker, who had imagination, had done that business for him! Before the big sale was over the goods to replace the stuff that had been lying on those precious shelves were beginning to roll in.

BY closing tight for a week Vail was able to get his first floor reconstructed sufficiently to do business on the new basis. Thereafter the contractors moved up a floor at a time and scarcely interfered with trade. The whole place was remade in sixty days. And in the meantime J. Warren Brown had been talking to the people of Milton in the first person singular and signing J. F. Vail's name to his talks. He had let them in on the secret. He had revealed Mr. Vail's motives and his ambition. One of his head lines read:

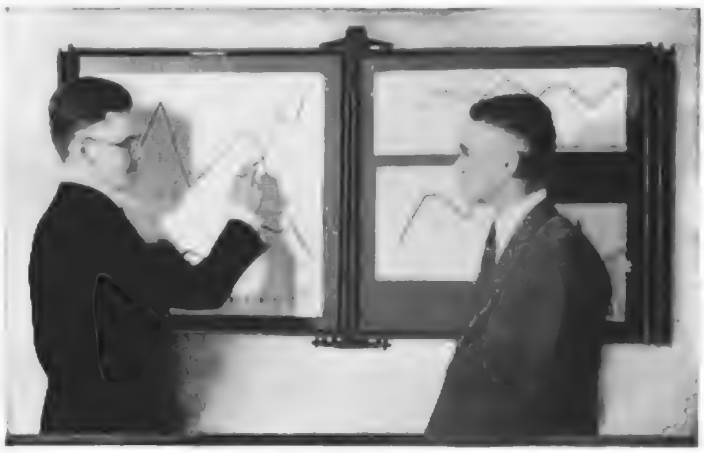
Some Stores Are Like Your Preserve Closet; Others Are Like Your Kitchen Pantry

The text had compared the policy of hoarding stocks and that of moving them day by day, meeting new needs and conditions and catering to new tastes and appetites as the housewife prepares her menus. Another display began:

Contrast the Old "Store" with the Modern "Shop"

This line of publicity took hold. It was couched in terms of today and rang convincingly. The Vail Company establishment lived up to it. Old shelves—dust traps and stock depositories—were done away with as far as possible; only in the piece-goods departments were there any shelves at all. But what Vail insisted on—preached and hammered away at and impressed on his sales force—was that it was *the shelf idea* he was fighting. And gradually his sermons got over inside the store. Materials moved. If they didn't move J. F. found out why. His success was almost instantaneous; in many ways it was incredible.

Roughly speaking, as he says himself now in discussing the epochal change of those days, he had turned his stock under the old system about three times in two years. Certain



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No other file in the world has the automatic expansion which gives visible filing, adds 20% to capacity and permits of instant access for inserting or removing the thinnest sheets or thickest folder.

Note the "V" formed between the letters in the drawer. This patented "V" file feature is what makes it the ONLY WHERE WHILE File in the world.



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Try the Auto Desk Companion for 30 days—see how it serves as a silent and efficient partner—saves time and gives constant assistance.

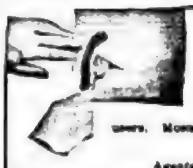
The Automatic File & Index Co.
South State Street GREEN BAY, WIS.

For Executive, Department or Home Use

goods and commodities, of course, had practically never turned—"Became glued to the shelves!" he grunted. But under the new program there had to be a turnover or there was a bonfire. One of the surprising things Vail learned was that he had been an "easy mark" for a lot of clever salesmen—had been stocking up with stuff that might "get a call" perhaps once a year. "Might as well have been carrying gravestones!" he would exclaim. Although it hurt him to do it—and made old Sam Wood shed tears—he actually scrapped stuff that would not go. At the end of a year he found he was making a practically complete turnover of his stock as a whole every three months and most of his goods went six and seven times.

"The only thing I had to avoid," he said, "was turning myself into a five-and-ten-cent store. I kept our standards up. But I made the stock move on. I was the traffic officer of the place, and when I blew my whistle something had to give way. The big change was a good thing for me. It made me young. It gave me snap and punch. The spirit communicated itself to the whole organization. It proved to be a pleasure to handle brand-new goods and pass them on to our customers. Whiz and Bang are our two favorite gods. We've got high class with a punch in it!"

He had, and he has—for I have drawn this tale from life. In a Pacific Coast town of 30,000 people you can find the no-shelf store today, and just inside the entrance, to take your umbrella in the winter or to give you welcome and open the door for you in summer, is a laughing negro, with one arm, who is a part of the institution—although he never could understand how it came about—and who speaks of the J. F. Vail Company establishment as "mah place of business!"



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For many years the Automatic Time Stamp has been helping business men to get full value out of every working hour. It will do the same for you. Guaranteed dustproof, absolutely accurate, and will last a business lifetime. SEND TODAY FOR FREE ILLUSTRATED BOOKLET.
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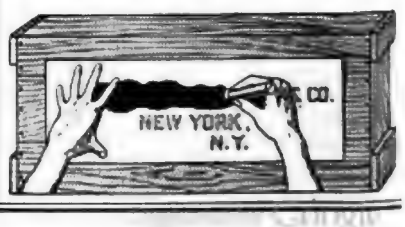
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What Makes a Good Salesman?

(Continued from page 9)

been possible to draw a scientific parallel between ratings and sales production have been too few and the time in which the rating scale has been in use in specific cases has been too short to establish any general laws except this—that the rating scale, when properly used, is uniformly predictive. The bureau itself makes this statement:

"All the facts point very definitely to a need for job specifications for salesmen—for accurate descriptions of salesmen's jobs. Until interviewers know definitely just what the successful salesman does and how he does it, there is little hope for more than mediocre selection. Each firm must know what constitutes success for its line of business and what traits a salesman needs to possess in order to achieve success. A detailed and careful analysis of each selling position is the only way to secure this knowledge. When the facts have been secured, a rating scale fitted to the needs can then be drawn up. With such a rating scale and with a fair and accurate method of measuring success, a firm is in a position, when a sufficient number of records have been accumulated, to evaluate its methods of selection scientifically."

And now—here the sales-executive reader is solemnly advised to pause and knock three times on wood—how long will the new man stick? No sales executive needs to be told how serious a thing is his turnover. One of the member companies in the Bureau of Personnel Research has figured it out that every salesman it employs costs the company $300 and that of all the salesmen selected each year 40 per cent are failures. Another member company spent $5,000 in the training of four salesmen and then, at the end of the first year, faced the problem of its future dealings with those men. They had been fair producers during the first six months; during the second six months their sales had dwindled virtually to nothing. Should they be discharged? Should they be given further training? What were the chances that their sales would "pick up"?

The degree of selling-force turnover is regulated to a great extent by the degree of selling-force success. That sounds obvious; the bureau's research has shown it to be true. And the bureau has established something else, which is that selling success is dependent, to a great extent, upon salesmen's intelligence. That, too, may sound obvious, but the bureau demanded—and got—the proof. Very well, then, all other things being equal, the most intelligent applicants will make the most successful salesmen, and

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the most successful salesmen will remain longest with the company.

Now the "other things"—appearance and manner, convincingness, industry, character and so on—are provided for in the rating scale. But how about intelligence? Will an interview establish his mentality?

Positive tests of intelligence, the bureau believes, well may supplement the rating interview, and in this belief the bureau has developed tests to gauge men's mentality. The tests represent years of study and many revisions. Bound up in a book in the bureau's library, they make a sizable volume, entirely too bulky to be reviewed here. Anyway, intelligence tests and mental alertness tests of many kinds, and nearly all of them good and adaptable to the needs of almost any line of business, have been published so extensively that they are virtually common property and easily available.

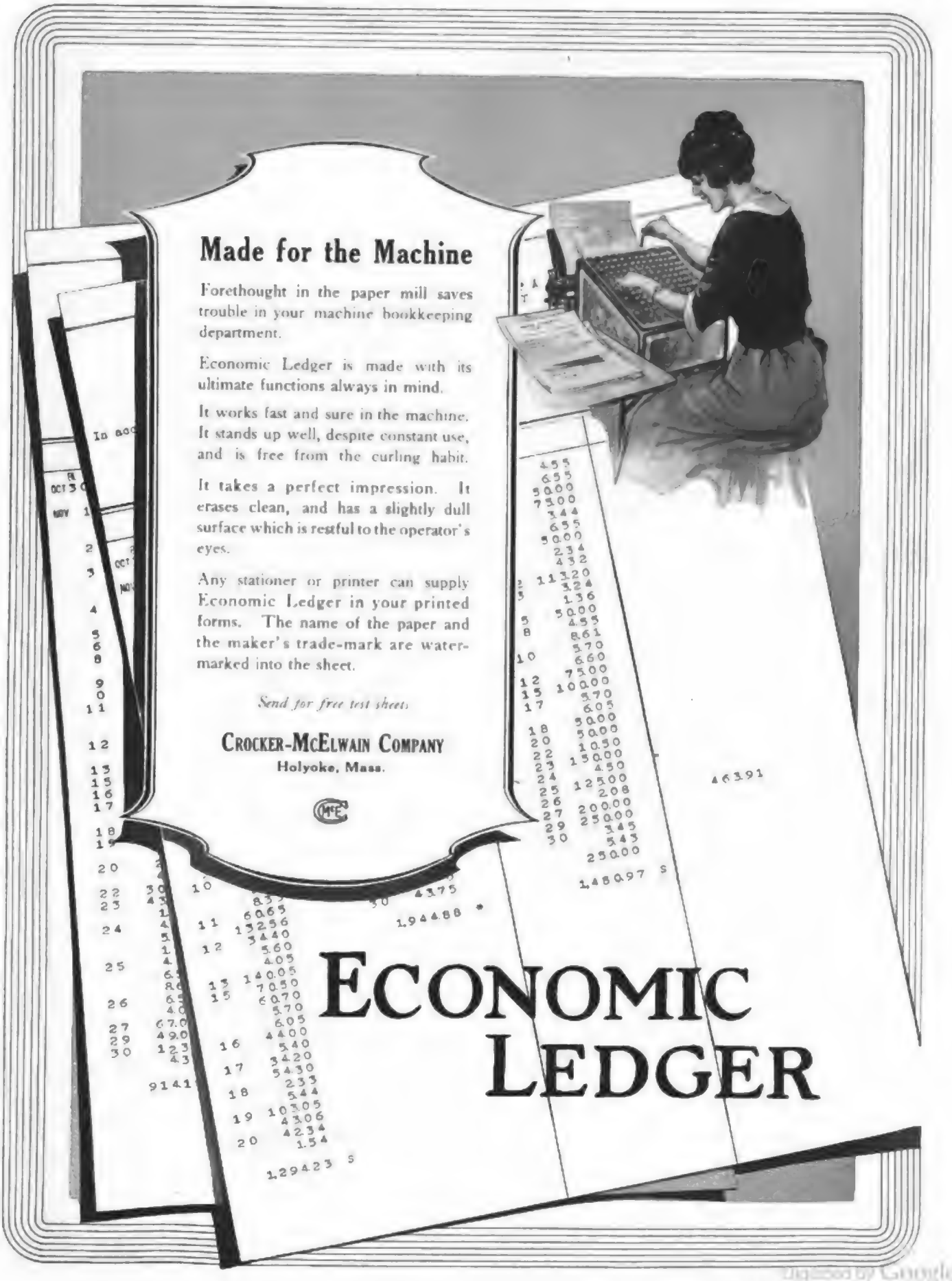
Of the results of specific applications of its own intelligence tests the bureau reports that it "has discovered that in three different companies men above the average intelligence of their fellow salesmen have the ability to improve their sales with length of service, while the chances are high that the poor salesman of low intelligence will never improve.* * *The intelligence factor is only one subject that the bureau is investigating. It is giving a thorough try-out to tests of will power and tests of honesty.* * *But the intelligence, or mental alertness, tests have been developed to a stage where they can be used with value at the present time."

So much—for our present purposes, at least—for selecting salesmen. Now, what about sales supervision? What about training salesmen?

Again the bureau goes back to the concrete, to the successful salesman, to the chap who already is making good. To quote from a bureau bulletin:

"The best means of discerning what training a beginning salesman should have is to study the selling talks and methods of the successful salesmen. The training curriculum should not contain material that is not used by the successful salesman and it should not omit any items that are common in the selling talks and methods of the successful salesmen. Today all curricula for the training of salesmen are weak in this respect. A training curriculum should not be worked out from an armchair, nor by taking the ideas and experiences of one top-notch salesman, nor by having successful salesmen contribute from their experience information covering only a few phases of their work. The latter method is the best of the three, but it falls short of producing the best

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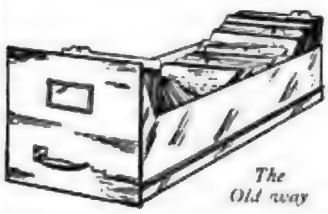
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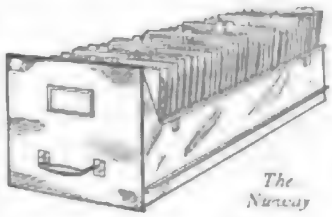
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The Old way



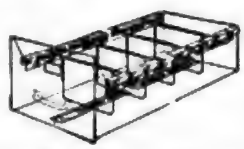
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Nuway Devices, Inc. 302 Ellicott St. Buffalo, N.Y.

curriculum. Why not give the new salesman a training that is complete and that, at the same time, does not require him to waste any of his effort on material that will not be of use in getting orders? The *only* way to get such a curriculum is to make a detailed analysis of what successful salesmen do."

To provide one means of making "a detailed analysis of what successful salesmen do," the bureau has developed a questionnaire, a copy of which a sales executive may give to each of his salesmen with instructions to fill it out. The questions cover every phase of his work, from his methods of using preliminary advertising to "closing the deal." Filled out, the questionnaire presents a portrait of the successful salesman from one point of view—his own. There is another point of view to be considered—that of a detached, disinterested observer. The bureau has been sending observers out into the field, to "go around" with the salesmen of member firms as the men call on their prospects, to observe and report. And that brings us back to the beginning of the story.

You will remember that Kane, my Pittsburgh salesman friend, and I were left at the dinner table and that I had undertaken to tell all this to him.

"It was one of those field observers—McIlvaine—who followed you around yesterday," I told Kane. "He watched how you worked and made notes of what you said. He put it all into a report and I have a copy of the report—you'll get one, too, in a day or so. Just to show you what manner of report these observers make, how they go into the details of every call, I want to read you some pieces out of this one."

"Shoot!" said Kane, "you can't hurt *my* feelings."

"We'll just pick a call at random," I said. "Here's Prospect No. 3, the third man you called on yesterday: The report reads: 'McRay Brothers, manufacturers of automobile screens. This is second call. Progress made at previous call: Two brothers manage the concern; salesman had canvassed one of them; it is a competitive deal. Purpose of this call: to secure a trial. The interview: Prospect was not the same one who was canvassed on the previous call. This brother offered resistance, saying firm did not need equipment—business too small—doubted if it would pay. Salesman met the objections tactfully and skilfully. Talked to the prospect from the "you" point of view. Prospect would not consent to a trial. Salesman said he would call back at the end of the month. Progress made at this call: Salesman did not get to see the live member of the firm and says he will call back within a week and try to see

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A way to win good will

The experience of leading concerns in every ine has shown that it is good business to rovide workers with safe, sanitary, indi- idual steel lockers in which to keep their hings. It is an attention that employees ppreciate and goes a long way to promote he right spirit of loyalty and co-operation.

MEDART STEEL LOCKERS

re the choice of discriminating buyers. lade of smooth sheet steel with welded oints and richly enameled. Multiple lock- ng device operated with one turn of the ey. Fire and theft proof. Made in stand- rdized units—adaptable to any condi- ions—easily installed.

Send for Booklet

t illustrates and describes various styles of EDART Steel Lockers for offices, fac- ories, stores, clubs, schools, etc. Inform ourself. Get the facts. Clip and mail the oupon below to our nearest office.

Fred Medart Mfg. Co.

otomac & DeKalb Sts. St. Louis, Mo.
2 Vanderbilt Ave. New York
ialto Bldg. San Francisco

Fred Medart Mfg. Co.
(Address our nearest office)

Please send your free booklet describing MEDART Steel Lockers. We employ about people.

Firm Name.....

Address.....

Attention Mr.....

We are interested in Steel Shelving, Racks, Bins.....(Please check)

the live brother alone. Time of call, 10:23 to 10:30 a. m.—seven minutes.'"

Kane smiled, grimly. "A tough pair, those McRays," he said, "but I'll sell 'em yet. Read some more."

"Your other interviews for the whole day are reported in similar detail," I told him. "Many of them report your language verbatim. But, you remember that I told you that in this personal research work with you men in the field, the bureau is not overlooking the opportunity to help you improve your work. Maybe you'd be interested in McIlvaine's summary, his size-up of you as a salesman."

"Shoot!" said Kane.

I read from the report: "Mr. Kane seems to be a high-grade salesman. One of his strongest points is that he carries the interview to the prospect. Another strong point is that he makes definite appointments for later interviews. In manner he is always courteous; he seems to 'stand well' with his customers and prospective customers."

"Now ain't that nice!" said Kane.

"Yes," I said, "and now here's something else. You remember you said that you 'walked the legs off that bird' yesterday?"

Kane nodded, grinning.

"Well, listen to this time report of your day's work: 'Total time spent in the field, 5 hours, 27 minutes. Nineteen prospects called on and twelve canvassed. Total time spent face to face with prospects, 1 hour, 24 minutes. This was distributed among the twelve calls as follows: 12 minutes, 13 minutes, 2 minutes, 12 minutes, 2 minutes, 16 minutes, 4 minutes, 8 minutes, 3 minutes, 6 minutes, 2 minutes. Average length of interview, 7 minutes.'"

"Phew!" said Kane. And I read on:

"From this it would seem that Mr. Kane could reach an even higher level of ability and increase his sales if he would spend more time in determining the specific needs of the prospects whom he encounters and in analyzing those specific needs. It would seem that he could make a more efficient division of his time between canvassing and actually working on prospects with whose needs he is thoroughly familiar."

I glanced up at Kane. "Want to hear some more?" I asked him.

"No," he said, "that's enough. I'm sold. And say, lend me that report until I get my copy of it, will you?"

(This is the first of a series of articles by Mr. Little on what Carnegie Institute of Technology is doing to apply psychology to business. The second article will appear in the February number—Editor.)

U. S. Taxes

How $16,000 Was Saved —Why Big Salaries Are Paid

By reorganizing a business into a corporation and a partnership one of our clients reduced his taxes from $25,000 to $9,000—a saving of $16,000. This is legal, right and proper. By readjustments of capital records another client saved $10,000. Thousands of firms are unwittingly overpaying their taxes *through ignorance of allowable deductions and exemptions they were entitled to.*

Executives and Accountants Must Know Tax Law Procedure

YOU—the executive who swears to the accuracy of your Tax Return.

YOU—the auditor, accountant or bookkeeper who computes the Return—you *must know* Tax Procedure.

We teach you how the Income Taxes, Excess Profits Taxes, Capital Stock Taxes, Inheritance Taxes, etc., *work together*—how to compute ALL the legal deductions. Executives taking our services frequently report savings of $5,000 to $100,000. Used in Standard Oil Co., Ford Motor Co., U. S. Tire Co., etc.

A New Profession

Tax problems have opened a new profession. The U. S. and State Governments and 900,000 business concerns need the help of trained tax experts. Salaries run from $5,000 to $10,000. Consulting experts earn up to $30,000 yearly. Attorneys, accountants, auditors, bookkeepers—any man with business training—can quickly qualify. Write for details.

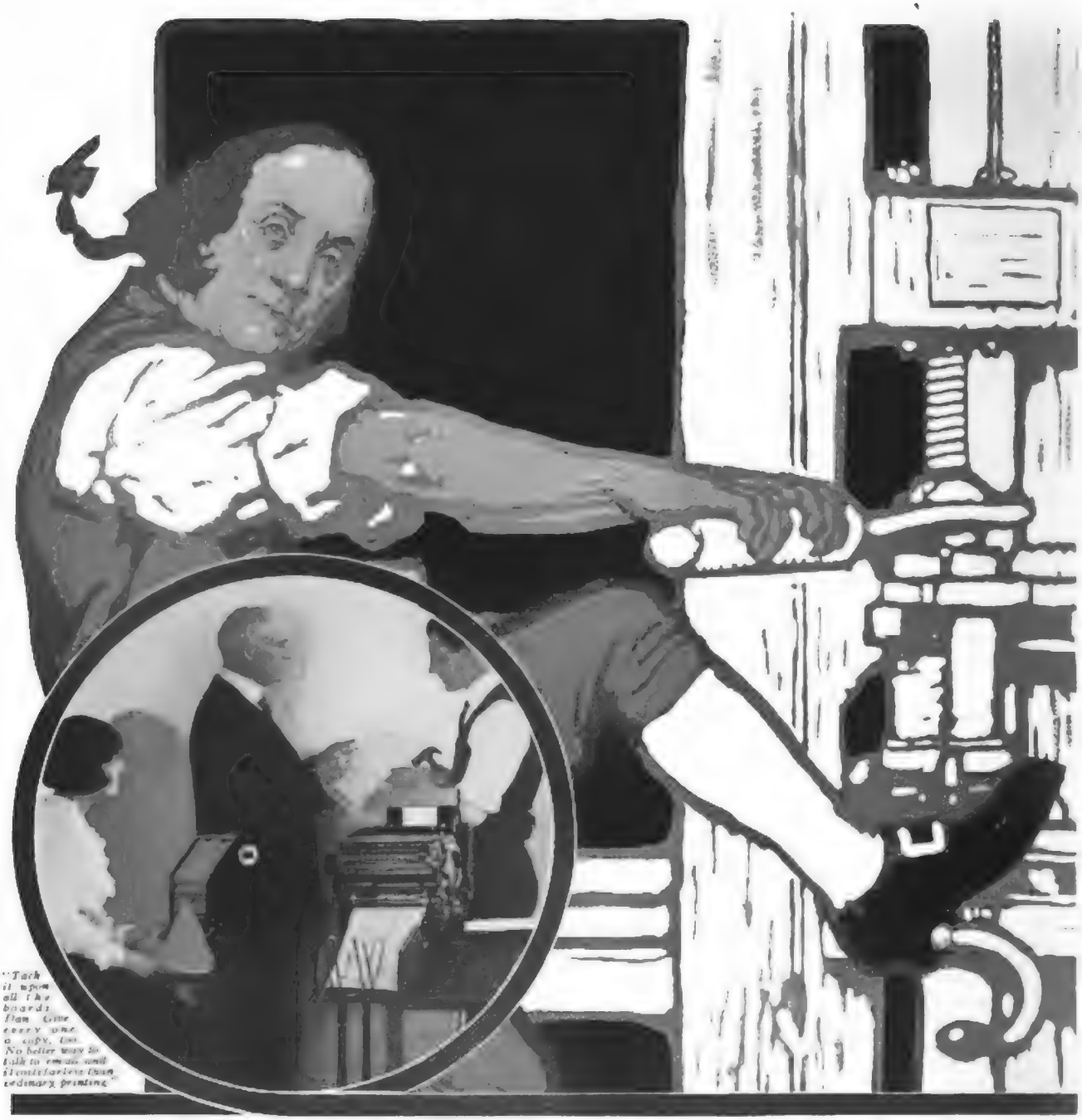
Tax Book FREE Send for our booklet *"The Income Tax Expert."* It contains information of vital importance to every taxpayer. Sent *Free!* No obligation. Tear out and mail the coupon—NOW.

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Dept. 2101 20 E. Jackson Blvd., CHICAGO, ILL.

Without obligation send your free booklet *"The Income Tax Expert"* and particulars regarding your Tax Service.

Name.....

Address.....



PRINT it on the

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Franklin Didn't—

Poor old Ben! When he wanted to turn out a "big run" of *1000* copies he had to do it by strong arm methods on a man-killing hand press, and it took *days*. He didn't get copy in the morning and start running 'em off *after lunch* to the tune of three or four *thousand* impressions per *hour*—snappy printing with the pep still hot!

We'll say he didn't—but YOU CAN if you PRINT it on the Multigraph.

Now don't run away with the idea you know all about the Multigraph, because it's ten to one *you think you know something you don't*. It's likely that, *actually*, you don't know much more about the Multigraph than old B. F. did.

What the Multigraph is

The Multigraph is a *rotary printing press—NOT* merely "one of those duplicator things." It PRINTS *everything* except the big and fussy jobs. Turns out multiple typewritten letters, too, of course, but PRINTING is the Multigraph's *big* field.

Some speed burner, too—3600 to 4800 impressions per hour is easy. Colors? Illustrations? *Sure*, if you want 'em. And when it comes to *imprinting* there's simply nothing to it.

And it's not a big, mussy, noisy contraption that upsets your whole place. The Multigraph takes up little room, is simple and easy to operate, and does *not* turn your office into a printing plant.

Will it fit into my business?

Yes! If you use stationery, office and factory forms, booklets, folders, circular letters, tags, labels, tickets, sales bulletins, house organs, blotters, imprinting, small posters, memos, checks, programs, postcards, etc., etc., etc.,—if you use any or all of these printed business helps, the Multigraph will *save money* and *make money* for you.

Of course there are a *few* firms who can't use the Multigraph, but our slogan "You can't buy a Multigraph unless you need it," takes care of them.

Saves and makes money

How does the Multigraph *save money* and *make money*? By cutting down your printing costs 25% to 75% on *every* job.

By enabling you to get after every opportunity instantly—no waiting for sales helps and letters until the scent is cold.

By getting you into close touch with your trade, and keeping contact between salesmen's calls.

By doing the missionary work for your salesmen, saving their time, helping them pile up orders. By merchandising your advertising to your salesmen, to your wholesale and retail trade.

By getting your printed things out on time—*any* time. By cutting out delays in factory, sales and advertising departments and office.

By making it easier to educate, enthuse, inspire your sales force, factory and office, your whole organization.

Strictly confidential

"Strictly confidential?"—the Multigraph *keeps* it so. Your confidential price lists, private reports, inside dope for your salesmen—all those vital confidential things can be printed on the Multigraph, *right inside your own office* by a trusted employee.

All very interesting, you say, but you want *proof*. You want *actual facts and figures* applied to your own particular business. *The Multigraph will give them to you*, on request.

You can't buy a Multigraph unless you need it

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio

Offices in Principal Cities

THE INTERNATIONAL MULTIGRAPH CO., (Britain) Ltd., 15-16 Holborn Viaduct, *London, E. C. 1*
THE INTERNATIONAL MULTIGRAPH CO., *Paris*, 24 Boulevard des Capucines
THE MULTIGRAPH SALES CO., Ltd., 84-88 Bay St., Toronto, Canada, *Offices in Principal Canadian Cities*

MULTIGRAPH

THE MULTIGRAPH SENIOR This is a complete, compact equipment that turns out high quality printing and form typewriting at very low cost—averaging a saving of from 25% to 75%. It is simple and easy to operate; rapid and convenient. Electrically driven, with printing ink attachment, automatic paper feed, signature device, automatic platen release and wide printing surface.

THE MULTIGRAPH JUNIOR This is a wonderfully efficient equipment for concerns which have a limited amount of work. It does both form typewriting and office printing and produces the same high quality of work as the Senior Equipment, but it is hand-operated only and cannot be equipped with electric power, automatic feed and signature device attachments, as can the Senior.

The Multigraph
1798 E. 40th St., Cleveland, Ohio

Proofs—real facts and figures—are just what I want. Tell me more about the Multigraph and how it PRINTS.

Firm _____ Our Line is _____

Name _____ Official Position _____

Street Address _____

Town _____ State _____ Bus. Jan.

Rebuilt Multigraphs at Half-Price

Latest Models **Rebuilt-Like-New** **Guaranteed Two Years**

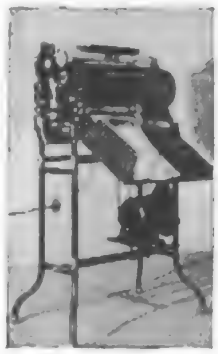


$520 Number Four (new) - $250 (rebuilt)

Includes the $500 current, No. 4 Model and $20 Stand. Complete type equipment (brand new), 2 segments, tools, supplies, ribbons.

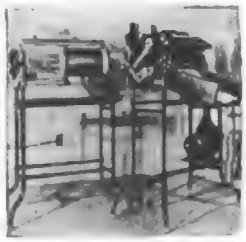
$865 Complete Unit (new) - $405 (rebuilt)

Includes the $520 No. 4 outfit, and in addition the Automatic Feed, Power Drive (right motor for your current) and Printing Attachment.



$975 Senior No. 36 (new) - $525 (rebuilt)

Includes the Multi. Senior Printer with the automatic platen release and a separate Compotype automatic typesetter—both on stands. Also the Power Drive, Automatic Feed and Printing Attachment.



Guarantee

Our Multigraphs guaranteed to produce finest quality work or money refunded. Guarantee to renew free any part that wears or breaks within 2 years (only exception natural wear on type).

REBUILT MULTIGRAPH EXCHANGE

LINCOLN BLDG., PHILADELPHIA



The "SATELLITE"

TYPEWRITER STAND

A great space saver in small offices and time saver in all offices. Moves easily where wanted on heavy castors. Makes stenographic force more efficient by promoting work with less fatigue.

Adjustable, Portable, Practical

The most adjustable and portable of all typewriter stands. Keyboard at height to suit individual in a few seconds. The "Satellite" is made entirely of steel, is a handsome office fixture and practically indestructible. New metal top makes typewriter almost noiseless. Does not weaken or loosen with use. Used in hundreds of big business offices here and abroad. 100% efficient and satisfactory.

It will pay you to learn more about the "Satellite."

Write Department B

ADJUSTABLE TABLE COMPANY

GRAND RAPIDS, MICH.



PROFIT vs. LOSS

Every typewriter ribbon thrown away is a dead loss, that can be turned to profit if you are equipped with a

QUALITY Halco RE-INKER

Model No. 10 is a compact machine that quickly and efficiently re-inks ribbons used on Underwood, Remington, L. C. Smith, Elliott-Fisher, Victor, and Oliver typewriters, at a cost of one cent each for ink. Tell us the name of the typewriter you use and we will send you one of these money-saving machines subject to thirty days trial. They are saving money for hundreds of others and can save money for you.

Price $10.00, including can of ink sufficient for 100 ribbons.

SHALLCROSS COMPANY

1450 Grays Ferry Road PHILADELPHIA, PA.

HALCO Machines for re-inking multigraph ribbons are used everywhere

Selling the Habit of Paying

(Continued from page 17)

questions are asked and the replies thereto are used only as a basis for granting credit. Minneapolis merchants are exceedingly liberal with credit accommodations, and only ask in return the earnest and frank co-operation of their customers."

And then there is the copy appeal from the viewpoint of the customer—"you copy" it might be called. This too, has been and is being used. This is the appeal that seeks to touch something within the customer—his pride, his honor, his moral sense, his sense of justice.

"Credit Reflects Character" was the title of a typical educational ad written from the customer's point of view, thus: "Do you know that your character is judged by the way you pay your bills? Well, it is. Prompt payment of bills tells the credit manager that you are a man or woman of your word—a person of good character. Lax payments indicate poor business methods and disregard for the all-important business of character-building.

"Promptness in meeting your obligations reflects honesty, good character and determination to maintain a sound standing in your community. Credit men know and judge you by your past performances and they have your record at their finger tips. To pay your bills promptly, therefore, means to keep your credit rating clear, your character rating unstained, your standing in the community unquestioned.

"Good credit is an asset, a tremendous power, a thing to be highly prized and worked for. Once won it must be zealously guarded. Each bill is a stepping stone, so pay it promptly and lay the foundation of your credit structure surely and securely."

There was a sermon, a twenty-four point sermon in a half-page advertisement captioned, "The Man Who Makes Good in the Battle of Life Pays his Bills Promptly; He Keeps his Credit Good." The copy follows:

"Investigate the lives of the men of Minneapolis who do things and you will find they are the ones who have solid credit ratings at the stores and banks. It has been a rule of their lives to pay their bills promptly, when they fall due. It is a part of their moral fiber, just as much as it is to keep and fulfill their other business and moral obligations.

"The high standing of these men in the community sets an example for everyone, and, in particular, should be patterned after by the young men just starting on the long road of personal endeavor.

"It is just as easy to pay bills promptly as it is to be a slacker and

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ermit them to run and run until nally the courts are resorted to by the reditor and your name has gone down the list of deadbeats. In fact, it is much easier to keep up your credit, or, with most of those whose credit is bad, it is simply a matter of procrastination.

"It pays to keep your credit good, not only because of the better standing it gives you in the community, but because of the beneficial effect upon your health, and therefore upon your ability to work and increase your earning capacity, whether you are a salaried man or engaged in business for yourself.

"Worry over an ever-increasing load of debt has unfitted many a man for that keen attention to his work or business that is essential for advancement and eventually has resulted in casting him out upon the world a broken man, bringing misery not only to himself but to his family.

"All this can be obviated and you can put yourself into the class of men who are looked up to and respected simply by systematizing your affairs so as to take care of the obligations you have incurred upon the day you promise to pay them."

And finally, there is the line of copy appeal that touches an emotion that, for our purposes here, may be called the fear of consequences. It has to do with the Yellow Book. The Yellow Book, issued yearly by the Minneapolis Associated Credit Exchange for distribution among its members, carries the credit biography of every customer who has a credit account at one of the exchange stores. It's a volume of considerable size, packed full of fine print and made up of such items as this: Larsen, Lars, painter, 2789 Pseudo Avenue, 2M3P1S—which means that two stores have reported Lars as "medium-good" pay, three have reported him prompt and one has reported him slow.

Along toward the end of each year each of the stores co-operating in the credit exchange makes up reports on all its credit customers. For convenience the reports are written on large sheets of paper, each sheet having spaces for reports on twelve customers. At the office of the exchange on Nicolett avenue, clerks clip the sheets apart, segregate and classify the individual reports and file away all the reports on each customer in a separate envelope. At the end of each year these reports come in by the bale. One store, for instance—Donaldson's—reports on between 17,000 and 20,000 customers every year. It is from this data that the annual Yellow Book is compiled.

Other credit associations in other cities issue credit directories similar to the Minneapolis Yellow Book. Few

Did Your Stenographer Surprise You—

or

Did You Surprise Your Stenographer ?



The 150th

HUNDREDS of stenographers surprised their employers, within two weeks after the appearance of our advertisement in last month's "Business," by showing them "carbon copies that look like originals"—made with **Panama Bronze Carbon Paper.**

And Office Managers and Purchasing Agents surprised their stenographers by having them try to wear out a sheet of **Panama Economic Carbon Paper** (***150 from 1***)—150 copies from every sheet.

There is a Panama Service Station in your vicinity.

Send direct to us for samples of both **Panama Bronze** and **Panama Economic.**

MANIFOLD SUPPLIES CO., *Manufacturers*

BROOKLYN, N. Y., U. S. A.

FOR NEAT CORRESPONDENCE—*LONG-WEARING* PANAMA RIBBONS

"Money back at any time if Panama does not do your work better or at less cost."

BIND YOUR CONTRACTS and CORRESPONDENCE
VOUCHERS or VALUABLE PAPERS
with an

Ajax Eyelet Fastener

A Handful of Eyelets—The Machine Does the Rest.
It Punches the Hole, Feeds the Eyelet and Clinches it in One Operation.



Ask Your Dealer for a Demonstration

SIMPLE POSITIVE EFFICIENT

Write for Our Catalogue of Office Tools

MACHINE APPLIANCE CORPORATION, 351-353 Jay Street BROOKLYN, N. Y.

THE X-RAY LINE

Better Bookkeeping Equipment

¶ A high-grade line that embraces everything required in the modern accounting system.

¶ Special feature binder equipment—labor-saving indexing systems—quality materials and workmanship, place this line in a class by itself—*just a little better than others.*

¶ We furnish everything you need for the successful handling of your accounts and business records. Blank Books and Loose Leaf Forms. Binders and Filing Equipment. Machine Accounting Ledger Systems and Supplies.

¶ Let us co-operate with you in securing the bookkeeping supplies you require. The knowledge we have gained by years of experience is at your command. Efficient service direct by mail.

LEFEBURE LEDGER COMPANY
ACCOUNTING EQUIPMENT OUTFITTERS

CEDAR RAPIDS, IOWA, U. S. A.



Absolute Time Records

Know to the minute when work is started and finished, when orders are received and delivered, when letters are received and answered.

Kastens Time Stamps cost little, are built for long service, and work quickly, smoothly and accurately.

Send for catalogue showing various styles with prices.

Henry Kastens, 422-424 W. 27th St., New York, N. Y.

Omaha

The Gate City of the West



ARE you getting your share of the business from this richest large agricultural territory?

Ten million people, with a buying power of twice as many people farther east.

Let us show you the sales possibilities—and how some of America's leading business houses tone the Omaha Empire. Ask for Sales Analysis 68.

CHAMBER OF COMMERCE
Omaha

of the other associations, however, talk so frankly about their books as the Minneapolis credit organization talk about theirs. In Minneapolis everybody who can read knows about the Yellow Book. It is featured in every one of the educational advertisements, except the quarter-page ones. Down toward the bottom of the ad appears a line-cut picture of the book, accompanied by this standard copy: "Your Credit Will Never Stand Still. Every business place in Minneapolis has your credit standing at its finger tips. You are rated after the plan upon which businesses are rated. The Yellow Book shows your credit is either good, medium or bad. The more promptly you pay the better your credit grows. The book shows that! The less promptly you pay your bills, the worse your credit grows. The book shows that, too!"

Occasionally the Yellow Book has a whole advertisement to itself. One quarter-page ad had for its heading: "P-M-S; P for Prompt, M for Medium, S for Slow," and went on thus: "Three little letters. What do they mean to you? They mean everything to the concerns with whom you are carrying on a credit business. If you pay your bills within thirty days, or according to agreement, you are given a 'P' rating by the store. If you allow your bills to go unpaid for sixty days, the store will give you an 'M' rating. If you allow your bills to remain unpaid for ninety days or longer, the store will give you an 'S' rating.

"Practically all retail stores forward their credit records to the Minneapolis Associated Credit Exchange, where they are compiled and published annually in the Yellow Book. You should keep your rating up to the highest standard in this book, as a good rating is one of the greatest assets you can possess."

M. J. Solon is credit manager of The Dayton Company, a Minneapolis department store concern. Also he is chairman of a committee of the credit association that has general charge of the educational campaign. On the side he is a director of the Retail Credit Men's National Association. I asked Mr. Solon what effect public education had had upon credit conditions for the Dayton Company.

"It's impossible to measure the effect in exact terms because other factors have contributed," he said. "For instance, with everybody in the city, including the public, thinking about credits, we folks here in the store have been thinking about credits more keenly and acting more intelligently, perhaps, than we would do if the subject were not one of wide-spread interest here in Minneapolis. In fairness to the question, we cannot compare our conditions now with what they were

Nationally Famous Organizations Use the Post Office Scale For Parcel Post



7-B, 70 lbs. Capacity

96,000 Triner Scales Used by the Government

TRINER SALES COMPANY
190 North State St., CHICAGO
Sales Distribution

Fenton Labels and Seals STICK

YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

Let us supply you with Fenton Labels and Seals. Write us for prices and catalog.

FENTON LABEL CO., INC.
506-512 Race Street
PHILADELPHIA, PA.

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before the educational campaign was begun, for economic circumstances then were entirely different.

"But it does seem fair to compare conditions in Minneapolis with conditions in other cities that have undertaken no such work as we have under way here. Take Chicago, for instance. Chicago stores are supposed to be progressive, up to date and operated by the best of scientific, modern methods. Chicago stores have an average thirty-day collection of 38 to 40 per cent, which means that they collect 38 to 40 per cent of their accounts receivable within thirty days. Our average of thirty-day collections is 70 per cent, which means that of all accounts contracted within a month, 70 per cent are paid in full on or before the tenth of the following month. That gives us a 'turnover' of accounts receivable every forty-three to forty-five days.

"In every other line of business in the city you will find the same relative advantage. Even the newspapers have shared in the benefit. The credit manager of one of the papers told me the other day that the space the association is carrying in his paper has proved to be worth to the newspapers a good many times what the association pays for the page. The return, he said, has come in the form of improved collections. And, when you stop to think of it, a newspaper almost literally lives on credit.

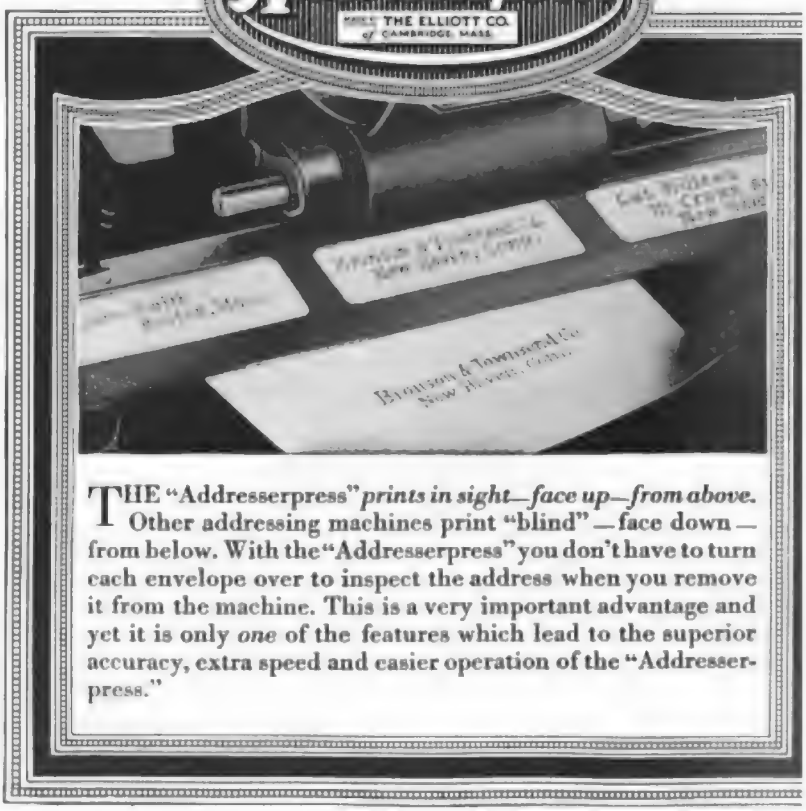
"Even the gas company has benefited. Big business and little business alike have reaped the return in improved collections. If you don't believe that, I would suggest that you go out into the residence district somewhere and ask some 'little' retailer."

I took Mr. Solon at his word. I picked out a street car at random, boarded it and told the conductor I wanted to ride "about fifteen minutes' worth out into the residence district somewhere." He watched me narrowly while I rode and seemed to be relieved when I left his car out on Chicago avenue in what looked to be a composite old-residence and new-apartment-house neighborhood. On a corner I found a little grocery store, a one-man enterprise with a ten-foot front—a store amply small enough to satisfy almost anyone. I promised the proprietor not to divulge his name, but his initials were C. S. Possibly they stood for Cross Section. Anyway, that was why I picked him.

"'Bout half of my business is credit," Mr. Section told me. "That is, I've got ninety-one charge customers. I think there's about that many cash customers, although the cash ones may vary a couple one way or the other.

"But the credit ones have been doing better than they used to do. Used to







Stenographers pay—

They pay in health for the time taking, back breaking, motion making, error producing, unnecessary, unnatural, fatiguing *habit* of side reading. This *habit* reduces their vitality in some cases 52% more than in ordinary reading.

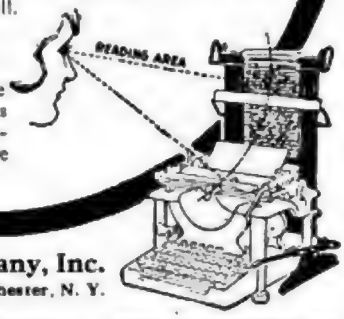
And So Does The Employer Pay

You, Mr. Executive, invest in the stenographer expecting her to be a clear, concise thinking producer of results. You get a tired, diffident lethargic brain and it's not the operator's fault.

No price within reason would be too great to correct the side reading habit. Yet the price of the Line-a-Time Method of Transcribing is ridiculously small.

Ask Line-a-Time

how the employers of more than 70,000 stenographers have profitably dispensed with side reading.

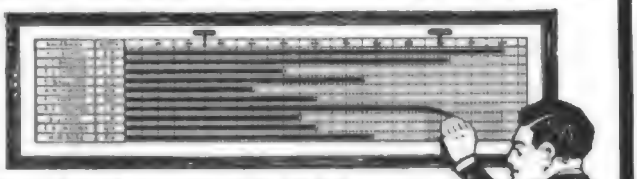


The Line-a-Time Mfg. Company, Inc.
902 St. Paul Street Rochester, N. Y.

A PERPETUAL INVENTORY

that can be seen from all parts of the room.

Rivalry kept keen by constant visualization of records.

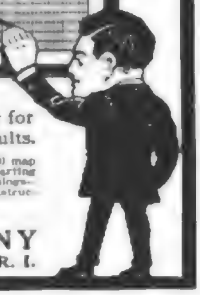


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SEND $1.00 FOR BIG TRIAL OUTFIT containing 100 map pins and other marking devices, sales maps, reporting papers, curve cards, EDEXCO map mount, 2 catalogs—GRAPHIC Supplies and Mechanical Graphs—special Instruction Sheet on Starting and Keeping Graphic Records. Catalog alone sent free. Please say which.



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620 Custom House Street PROVIDENCE, R. I.

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BRENISER, 337 B Walnut, Philadelphia

"PHONE" *without being overheard*



PRICE $1.00

Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYTT LABORATORIES — Dept. "T"
565 W. Washington Street, CHICAGO, ILL.

POSTAGE

The 25c monthly magazine that tells how to transact business by mail—Advertising, Selling, Collecting, Catalogs, Booklets, Circulars, Letters, Office Systems, Money Saving Ideas. Since 1916 the official magazine of The Direct Mail Advertising Association. 6 months $1.00; 1 year $2.00.

POSTAGE - 18 East 18th St., New York City

be that quite a number of them ran over every month. Fifteen or twenty of 'em wouldn't pay up. Tenth of the month didn't mean anything to *them*. But things are changed somehow now. I've got the same number of credit customers—good many of them are the same credit customers that I used to have. But now"—and here he consulted the book, turned over the pages and counted to himself—"but now not over four of them, or maybe five, run over."

A half block from Mr. Section's place of business I found a drug store. I went in to talk to the proprietor about collections. I never had talked to a druggist before about collections. This one told me some illuminating things.

"It's the dog-goned department stores," he told me. "they encourage the people to buy on credit. And then the people expect to buy on credit everywhere! Sure! It's all right for the department stores, and maybe it's all right for the grocery stores. The people pay their bills at the department stores because they're afraid of those big concerns; and they pay their bills at the grocery because they know that if they don't pay they won't get any more groceries—and they've got to eat.

"But it isn't all right for the druggist, not by a long shot! Me, I'm in just the same position as the doctors, just exactly! They pay me last of all—if they've got any money left after they've paid all the others. The best customer I've got has been buying from me for a long time and he never pays cash. He comes in and gets his cigars and his sundries and his family come in and get candy and sodas and things and say, 'Put it in the book.' For the first five years or so that that fellow traded with me he was good pay. I was glad to have his business. But lately, for maybe fifteen years, he's been slippin' right along. And now? Why he doesn't seem to think that I know what a calendar is!

"But that's the trouble—credit; credit everywhere. Credit ought to be abolished!"

"Would you abolish credit everywhere in business?" I asked him.

He looked thoughtful and rubbed a spot on the glass top of the cigar case for a moment. Then he smiled.

"No," he said, "I suppose you couldn't do without credit. All business is built on credit, when you stop to think about it. And maybe I'm pessimistic because I'm a druggist. As a matter of fact, my collections really are a whole lot better than they were. I used to carry around $1,200 in outstanding accounts on my books. Now I haven't $400. I guess it isn't such a bad world, after all."



Rebuilt Bookkeeping Machines

Burroughs Bookkeeping Machines, rebuilt by our expert mechanics and backed by our guarantee, will handle many sorts of accounting work as satisfactorily as a new machine, and at a considerably reduced cost.

Many large banks and business houses find it desirable from time to time to "trade in" their bookkeeping machines for larger or more highly specialized models. These used machines, coming to our factory branches (located in principal cities all over the country) are thoroughly overhauled, worn parts replaced with new ones, and are rebuilt into thoroughly reliable and durable machines. They are standard Burroughs models, adapted for posting ledgers, making statements and other sorts of bookkeeping machine work.

If you are thinking of installing a Burroughs Bookkeeping Machine, but have hesitated on account of the expense; or if you need an additional machine for some special job or for emergency use, it will pay you to get in touch with us.

The regular Burroughs salesman in your neighborhood can tell you about our proposition. Ask him—or write us for further details.

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2nd and Brannon Streets

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327 Broadway

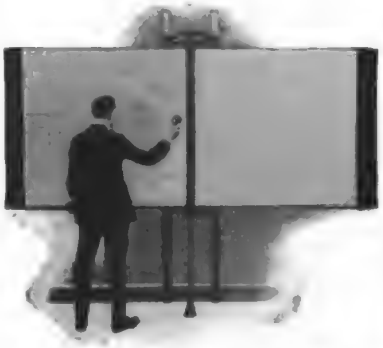
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General Adding Machine Exchange

Incorporated

Use Washable Maps to Build Business



In planning your sales campaign and in checking up on results after the campaign has been launched, washable maps are an invaluable aid.

Right now, at the beginning of the year, they are more essential than ever. If you are extending your territory, you will of course need new maps of the territory that is added. In your old territory there will be new divisions to be outlined, new routes to be traced, the locations of new distributors and dealers to be indicated, new quotas and various other facts and figures to be put down.

All these things can be shown on washable National Maps. You can mark on these maps with pen, pencil, crayon or water colors. This data, however, is constantly changing, and the maps, if they are to be kept up to date, must be changed accordingly. With the ordinary commercial map, this is impossible. National Maps are surfaced with a special cellulose finish, which makes it possible to erase, quickly and completely, any marking made thereon. Use either a sponge, a damp cloth, or art gum. The surface of the map is not injured in the least, but is left bright and clean and smooth, ready for new marking.

The Multi-Unit System of Display



Keeps all your maps together in a convenient, efficient and space-saving arrangement. From the neat and handy single unit fixture which displays two maps (one wing) to the large canopy-covered electric lighted fixture which displays forty maps (twenty wings) every Multi-Unit outfit is constructed so as to add both efficiency and attractiveness to your office. Whether you use only one map or forty, you can profitably use a Multi-Unit display fixture.

We make, sell and think maps six days a week. Our 35 years experience is at your disposal in helping you select the Multi-Unit System that will best meet the needs of your business. Ask us about mounting your blue prints or other special maps. We are also equipped to make up graphic sales or production charts.

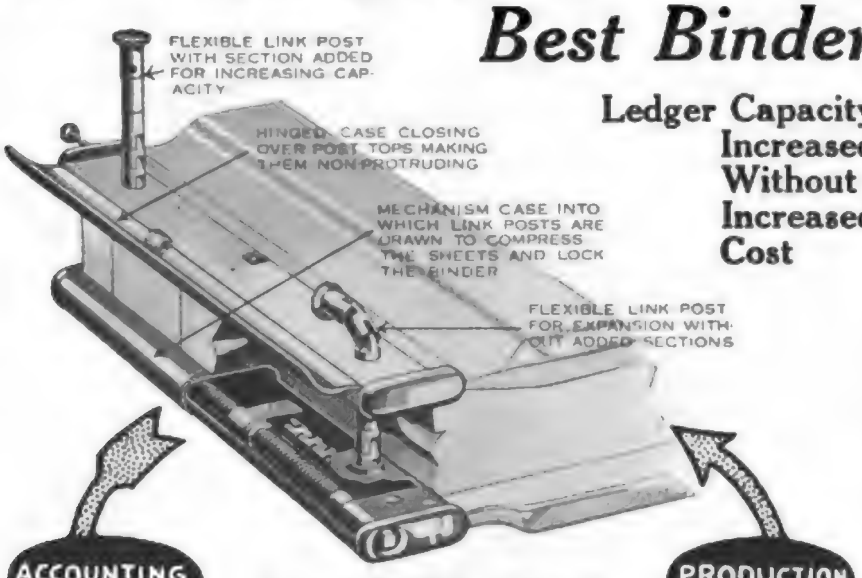
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Ledger Capacity Increased Without Increased Cost

Success Flexi-Post Binder

"The Binder That Grows with the Business"

Write for Catalog "W"

Stationers Loose Leaf Co. Chicago, Milwaukee, New York

ADVERTISING SECTION

Introducing the Patience Ma

(Continued from page 11)

"It squashed," said he.

And now, isn't that just like cheese? It just dropped off the statio platform and squashed!

But the difficulties of productio and shipment were as naught con pared with the difficulties of sellir those heavyweight cheeses. Can y imagine yourself driving a truck up front of Peter Schmidt's neighborhoo grocery store over on the corner, u loading—with the aid of a gang of me and a couple of pinch-bars—a thre quarter-ton cheese, rolling it into t store and saying, "Well, Pete, the she is. Go ahead and sell 'er." Ar can you imagine Pete?

The retailer had to be educate Educating him in the matter of b cheeses was a sales promotion job ar called for patience. Patience Ma Clarke undertook the job—and wro a cheese book.

The title is, "Make Yours a Chee Store." On the first page of readir matter appears this preface: "Or retail grocer in Pittsburgh wired u 'Cut your 2,000-pounder at 8 a. m It was gone at 4 p. m. Book us for tw more. Challenge you to make one big that we cannot cut and deliver in one day.'"

Much of the book is devoted "selling talk" with the retailer as t prospect. But one page carries the e sentials of the message—the plan b which the dealer is to sell the chees

Don't cut the cheese until it's so —that's the secret and the slogan ar the soul of the whole thing. A c cheese, returned to the wholesal is little better than an academic fut ity. And within a few days, partic larly if they be warm days, it becom worse than that.

Reid, Murdoch & Company's de ers don't cut their cheeses until th are sold. They sell them, and th often, as in the case of the Pittsbur grocer, they wire for more and bigg cheeses—and furnish the Patience M with more cheese-selling ammunitic

Oil Your Shoes Free

A Kansas general store publish this advertisement:

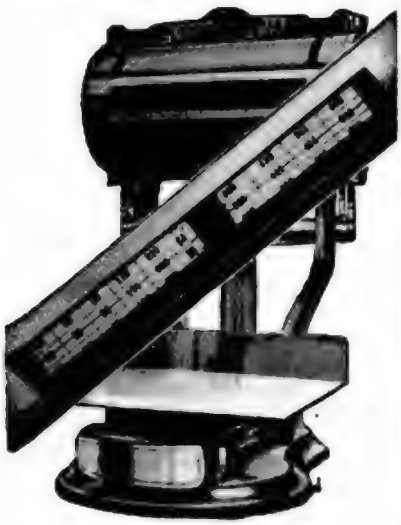
"A pair of shoes needs lubricati the same as a Ford does. We have can of 'leather light' out in the ba room all the time. We want all o friends to come in and oil their sho no matter whether they came fro here or some other store. Regul attention to oiling the shoes mea longer shoe life, and we want to he our customers to get all that is comi to them, especially now while shoes a so high."

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DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds

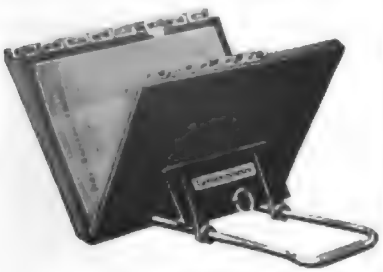


Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.

326 WEST MADISON ST., CHICAGO

Sales Distribution



THE INSTANT REFERENCE FILE

Eliminates the possibilities of misplacing important letters or memo sheets. All current papers are classified so that they may be instantly located. Indexed to fit your needs by letters, numbers or words. Unsurpassed for Letters, Invoices, Requisitions, Back Orders, Follow-ups, Bills of Lading, Stock Sheets or any other matter that is likely to be needed at a moment's notice. Made in all sizes and indexed as desired.

We also furnish a complete line of time and space saving DESK FILES and CARD SYSTEMS.

Write for detailed information to

THE KOHLHAAS COMPANY

Manufacturers

183 N. Dearborn Street CHICAGO, ILL.

When Kennedy Makes a Sale

(Continued from page 14)

every individual transaction; and all along, throughout the year, these amounts have been posted and the postings totaled every day. Assembled by days, these totals make a sales history of the sections and of the store, for this year and last year and for several years before that. Thus, to begin with in telling the buyers how much to buy, there are available these facts: totals of costs and selling prices, classified as to sections of the store and periods of time.

Mr. Burdick—he's the same statistician we met before—rules up a sheet of paper. He heads it, "Buying Record for Spring and Summer of—" whatever year it is, say 1920. He begins with Section 1, and he enters across the sheet the following figures, each in its proper column: In the spring and summer season of 1918, Section 1 sold $11,500.92 worth of merchandise. In the spring and summer season of 1919 its sales were $17,251.37. The sales increase was $5,750.45 and the percentage of increase was 50. The merchandise sold in the spring and summer season of 1919 cost $12,075.96. The mark-up during the same period was 30 per cent.

And now judgment steps in for the first time—judgment based on black-and-white facts concerning dollars and cents. Judgment says that, taking into account the normally expected increase in sales and the known increases in the cost of goods, the entire store will be entitled to an increase of 20 per cent in merchandise for the spring and summer of 1920. A 20 per cent increase for Section 1 gives, as the estimated cost of its merchandise for the spring and summer of 1920, $14,491.06. But Section 1, as shown by inventory as of September 1, 1919, already has on hand merchandise to the value of $4,517.29. This must be deducted, leaving $9,973.77, which would represent merchandise to be purchased for the coming season, were it not for the fact that the section is entitled to some leeway; it is to be expected that there will be some merchandise in reserve at the end of the season. Accordingly, the section is given an "allowance"—another figure based partly on judgment—of $2,816.74; and this, added to the figure in the preceding column, gives for Section 1, under the heading of "Merchandise to Buy," $12,790.51.

And so the buying guide is made up for every section in the store and so it establishes the amount of merchandise to be bought for each. That answers the question: How much? Now—what kinds of merchandise?

The red-headed man and his 85-cent

TIPS for Business Men

TIPS on how to prevent errors in your daily work—

Pointers that may save you money—

Business facts that every man should know—

These are offered you in the new "Four-Minute" Bulletins of the Blackstone Institute. Each Bulletin (there are 48 in the series) contains a number of practical illustrations of common business mistakes. In these Bulletins the entire field of business error has been explored and analyzed.

Arrangements have been made for the distribution of a limited number of *complimentary* copies. You may have one upon request.

Important Questions

Whether you are an executive or an assistant, you may find in these Bulletins the means of saving and making money. Experts have tabulated here *more than 300* common business transactions in which legal mistakes very frequently occur. Practical examples give the answers to questions upon which much may depend.

For instance: Under what circumstances are you NOT responsible for a note you have endorsed?

When is a partner released from liability?

Can a woman be a partner with her husband?

These questions, and hundreds of others like them, are of vital importance to every man in business. Your examination of one of these Bulletins will show that you must understand certain legal principles if you are to avoid errors and make the most of opportunities.

Answers FREE

If you want to save money for yourself and your company, send for our 118-page book of legal pointers for business men, and a complimentary copy of a "Four-Minute" Bulletin, answering important questions FREE. There is no obligation. Send the coupon NOW.

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STICKERS

Our Stickers grasp attention and interest. Our designers constantly produce novelties that are inexpensive business-getters. Whether it is a big or little order, we give it an expert touch that makes our Stickers distinctive.

We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
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Simple Efficient Inexpensive
"A place for everything and everything in its place."

Work-Organizers clear off the littered desk — bring order out of confusion for the desk owner.

Work-Organizers
Solve the Littered Desk Problem

They clear the desk for action and make it easier to do more work — which means to earn more pay, whether executive or office boy. 75,000 offices use Work-Organizers in 400 lines of business.

"How to Organize Desk Work"

is a free, 4-page booklet, which you will find in the bottom pocket of all Work Organizers — or it will be sent by mail on request. It tells how to organize and standardize desk routine in the whole office.

To order, just mark quantity wanted opposite each style number and attach ad to letterhead.

"300 Line" Black Seal Grain Fabrikoid cover on all exterior surfaces. Paper inside. Flexible, durable, handsome.

		Each	3 for
No. 330	10½" x 17", 6 pockets,	$2.50	$ 7.00
No. 332	10½" x 19", 10 pockets,	$3.50	$10.00
No. 334	10½" x 21", 15 pockets,	$5.00	$14.50

"700 Line" flexible, durable, paper. These may be used on top of desk, but are recommended for desk drawer use.

		Each	3 for
No. 730	10½" x 17", 6 pockets,	$1.00	$2.75
No. 732	10½" x 19", 10 pockets,	$1.25	$3.50
No. 734	10½" x 21", 15 pockets,	$1.50	$4.25

Work-Organizer Co. 721 W. Gd. Blvd. Detroit, Mich.

socks are in again. That red-headed man bought 85-cent socks. Very well, when he buys socks again he probably will buy 85-cent ones; if, in the meantime, the price goes up, he will buy the ones that used to be 85 cents. Kennedy's will need 85-cent socks, or their equivalent, for him. But, on the same day that he bought the 85-centers, other men bought socks, too. Some of them picked two-bit socks. Others ranged, conservatively, between a quarter and a dollar. Some went above that, into the two-dollar and three-dollar grades. One man bought a pair at $3.50. And one other individual, possibly a partner of Ponzi, walked right in and slapped down $5.50 (five and fifty one-hundredths dollars) for two socks.

Now Kennedy's will need those grades of socks, or their equivalents, for those men when they come in again. How is Kennedy's to know how many socks of each of those sixteen "numbers" in the Hosiery Section to buy?

We go back now to the young woman of the sales slips in the office of the statistician. A part of her job is to keep track of tastes. In this, again, she works from the sales slips. Every week she makes up various "schedules" of men's tastes in merchandise. On every line of goods in the store in which there is any considerable variation in prices, such as hosiery, neckties and shirts, she "draws off" from the week's sales slips the number of pairs or units that have been sold at each price. Thus, an actual "schedule" taken from her record of tastes in socks, for instance, shows that in a certain week 439 pairs of 25-cent socks were sold, 96 pairs of 35-cent ones, 185 pairs of 50-cent ones, 251 pairs of 65-cent ones, 2 pairs of 85-cent ones—and so on up to the top price of $5.50.

But considerations other than price and texture influence men's tastes in some of the things they buy to wear. There are size and fit, for example, in ready-to-wear clothing. Until men are standardized they will continue to vary greatly in build; there will be little thin ones and little fat ones and long thin ones and Babe Ruths. In fashioning men, Nature has had a lot of fun.

Men's ready-made clothing approaches Nature's infinite variety in being classified in the clothing trade as "regular," "short," "long," "short stout," "long stout," "extra short," and "extra long." When a Kennedy salesman sells a suit of clothes he records on the sales slip the dimensional class to which the suit belonged.

Up in the statistician's office the young woman of the sales slips has a special record for the "regulars" and the "shorts" and "longs" and all the rest of the non-symmetrical brethren. Every week—working from the sale slips again—she tallies them up in he book, each man in his proper place a to longitude and latitude and as t the price of suit he buys. She know a lot about men, does that youn woman!

Then, when the buyers prepare t go out in the spring and fall, the week ly "schedules" of grades of hosier and neckties and shirts and all th rest of the price-range goods and th chart of Nature's whimsies as em bodied in the book on how men ar built are totaled up; and their total are drawn off to constitute a bill o specifications for the buyers. Thus in virtually every line that is to b bought, the proportions as to grades styles, sizes and prices have bee established.

"There," the buyers are told "you've been told *how much* to buy This tells you *what* to buy. Now g to it. And on your traveling expenses may your conscience be your guide!

Analyze Your Selling Market

(Continued from page 22)

some study of problems of this kind and at the end of two days a rathe astonishing condition had been found The inventory showed that the stoc was ample, and that the assortmen was good. Several hundred number were carried, in almost every grad and at a wide range in price.

A little further investigation, how ever, showed that 75 per cent of th business was being done on less tha fifty numbers; the remainder of th stock was simply lying on the shelve looking pretty and eating up profit

A card record was devised to sho both purchases and sales, and in a fe months the hosiery department, whil as popular as ever with the wome had reduced its stock to a point wher the turnover was speeded up so muc that the next year's profits were en tirely satisfactory.

A merchant in South Dakota, doin a very satisfactory business, decide to move to a much larger town i Nebraska and open a distinctivel "woman's store."

His friends tried to discourage him They pointed out that he had made great success in the old location, tha his business was growing and that th little city to which he contemplate moving was already well provided wit stores carrying women's lines.

Importunities, however, were of n avail. He felt the urge to get int business in a city, instead of a countr town, and to specialize in goods fo women, rather than to buy and se general merchandise.

Before he made the move, however he asked a business expert to mak

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survey of the city to which he contemplated moving, and to report what volume he might reasonably expect to get in all the different lines he purposed to handle.

Now a survey of this kind is not easy to make, but the expert entered into the job with all his heart, because he knew this merchant and believed in his capabilities. When the report was presented it gave population statistics, approximate volume of business by lines, and detailed every fact that might have a bearing on the new store. The competition was analyzed carefully, and the difficulties to be encountered were pointed out.

The question of whether the merchant should move to that particular city was not touched on by the investigator—he simply gave the facts and left the decision of moving or not to the merchant.

The merchant moved. When he opened his new store, he bought in moderation goods that the expert's report showed could be sold in that city. He estimated his possibilities very carefully, and merchandised his store on that basis.

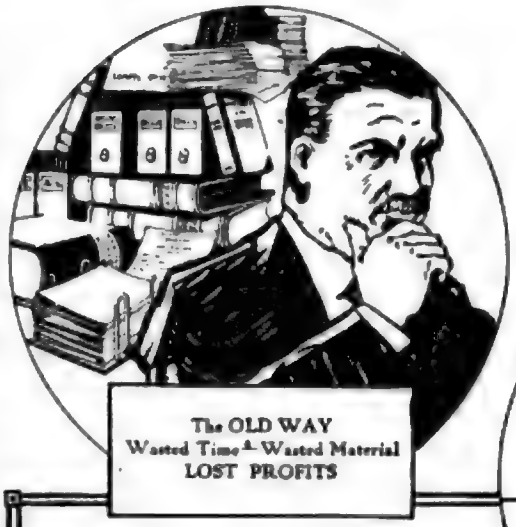
He set quotas for each department and stirred up a friendly spirit of competition between his salespeople, being careful not to make the quotas so high that they couldn't be realized.

He planned his advertising just as carefully as he did his buying; and today, after three years in the new location, his store, although perhaps not the largest in the city, is the one to which the women go first when they want to shop.

His business is growing rapidly; he is making a good profit and far more money than he made in the country town; and he succeeded chiefly because he knew his trade possibilities and had a reliable analysis of his trade territory. Without this knowledge he undoubtedly would have failed in his new venture against the competition he encountered.

He proved the truth of the principle that when we are buying we must know for whom we are buying, and what is the spending ability of our probable customers. He also proved the truth of the statement that merchandise is merely a medium to sales, and that if the medium is good the sales will be good.

Sales are the vital fluid of any business; without them we should all fail. Sales depend on people, and on the ability of the people to spend money for the goods we have in stock. It follows, then, that it is merely good sense to learn all we can about the people in our trade territory, as well as what they spend, or can spend, for our goods. With this knowledge in hand, we are well fortified.



The OLD WAY
Wasted Time—Wasted Material
LOST PROFITS



The TERRELL WAY
Saves Time—Saves Material
SURE PROFITS

Why Let Waste Eat Into Profits

Every year thousands of dollars are wasted by the office using improper methods.

TERRELL'S STEEL

ALL - PURPOSE

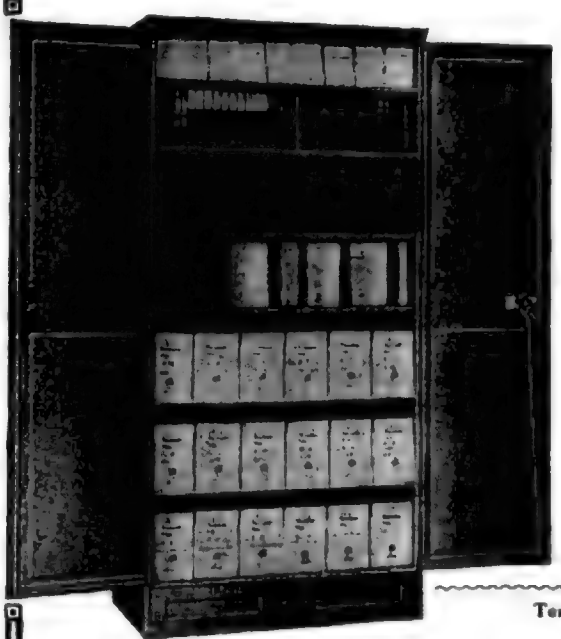
OFFICE CABINETS

will eliminate this business laxity. Supplies are kept clean and safe.

No time is lost for everything is in place for use when needed.

Write for Free Booklet

Terrell's Steel Cabinets embody all the essential features required for suitable office equipment: safety and adaptability, attractive design, high grade finish, superior shelf adjustment, reasonable price. These cabinets reduce fire hazards and do not add to the risks.



Write for free booklet which describes and illustrates all styles of Terrell's cabinets. In doing this you assume no obligation.

TERRELL'S EQUIPMENT COMPANY

Grand Rapids, Mich.

STORAGE BATTERY *of the* MODERN OFFICE

USE THIS COUPON

Terrell's Equipment Co.,
Grand Rapids, Mich.

Please send me illustrated booklet showing and describing Terrell's Steel Cabinets and how they are being used for storing office supplies and other articles.

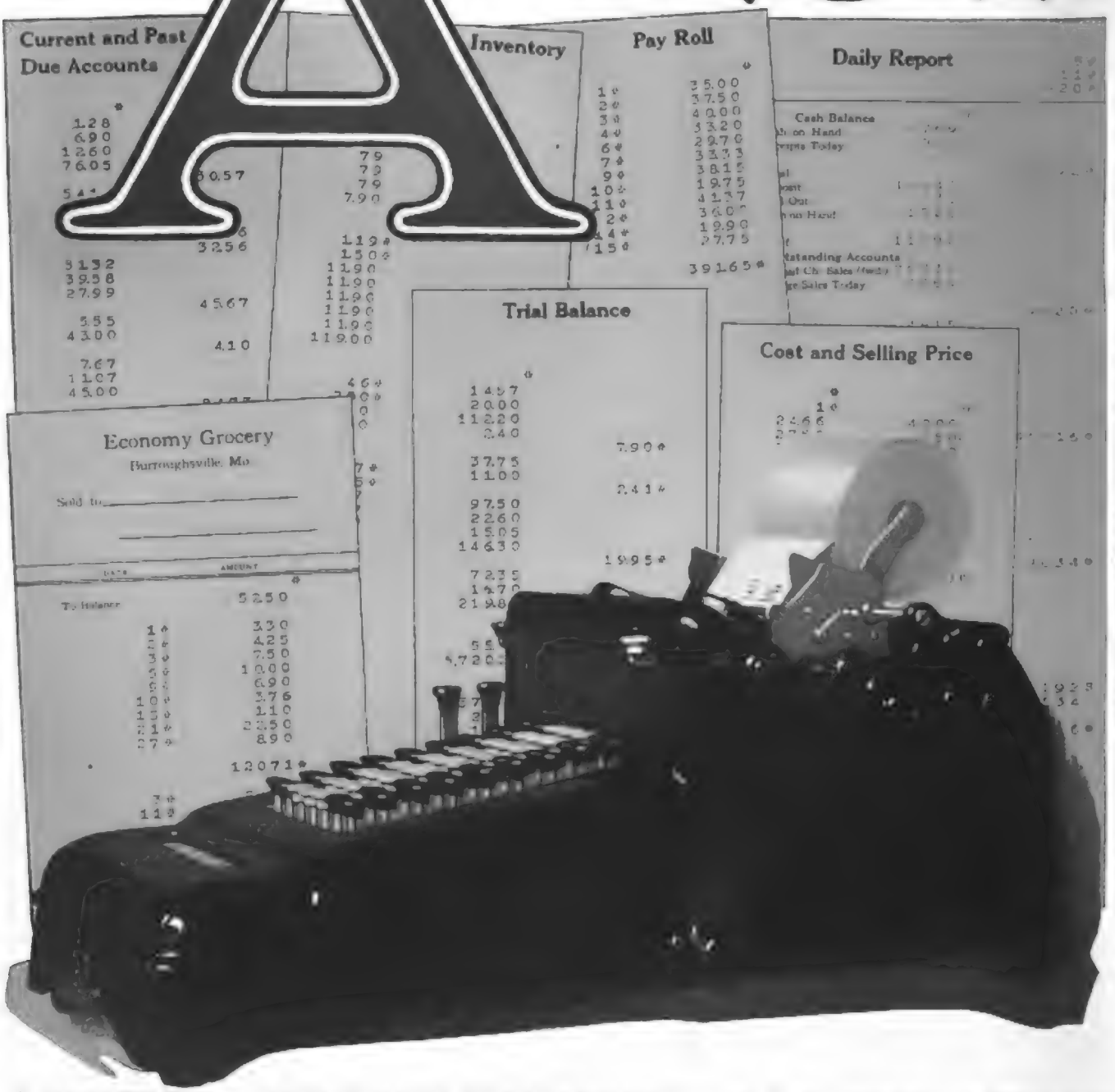
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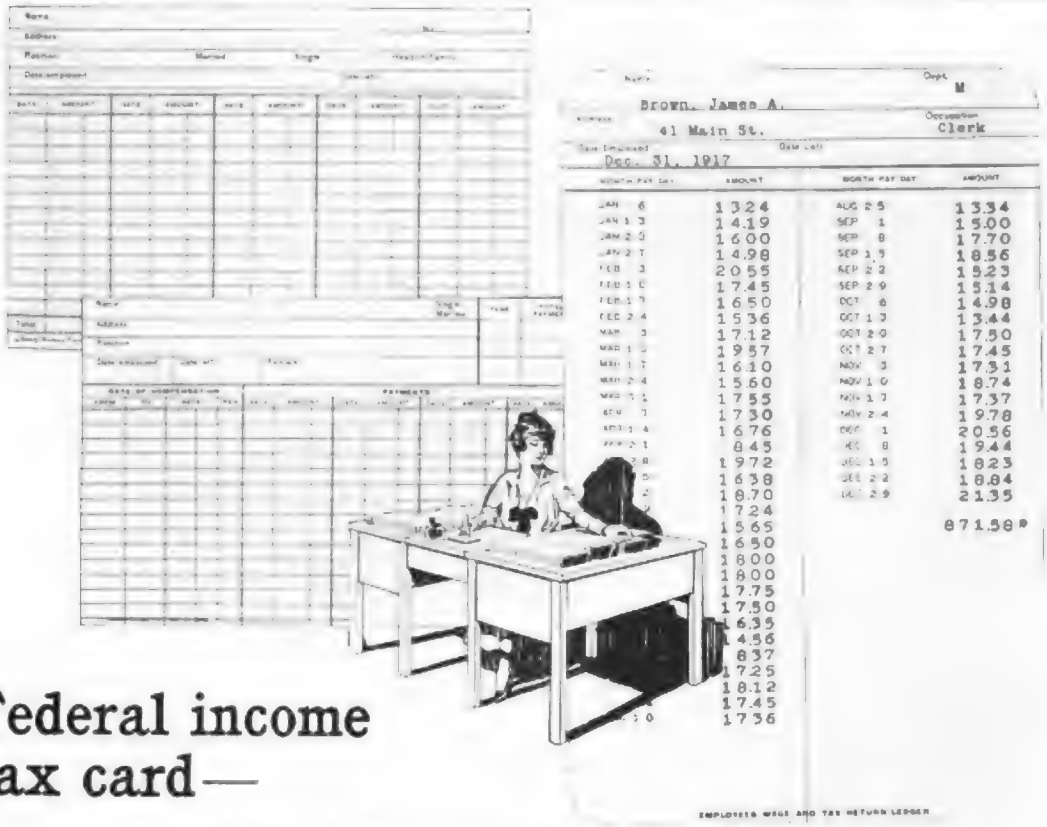
Here are a few of the many things you can do with an Adding Machine that prints in two columns

A New



ADDING-BOOKKEEPING-CALCULATING

A-B-C



Federal income tax card—

For posting Federal income tax records, the L. B. Card system is the most practical.

One card is used for each employee, and it is readily posted from the payroll sheet, weekly or monthly, as the case may be.

Three card forms, as illustrated above, are in use by concerns throughout the country. These cards are carried in stock.

In many cases, machines used for posting ledgers and statements can be used for this record, too. This results in an additional saving in time, especially by organizations having many employees.

Write for folder, "Employees wage and tax return card."
Sample cards on request.

Library Bureau

Card and filing systems

Filing cabinets wood and steel

Founded 1876

Boston
43 Federal street

Albany, 51 State street
Atlanta, 132 N. Pryor street
Baltimore, 14 Light street
Birmingham, Vault Floor, Jefferson County Bank bldg.
Bridgeport, 950 Main street
Buffalo, 126-132 Pearl street
Cleveland, 240 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 303 Hubbell bldg.

New York
316 Broadway

Detroit, 66 Washington Blvd
Hartford, 38 Pearl street
Indianapolis, 215 Merchants Bank bldg.
Kansas City, 514 Ennis bldg.
Minneapolis, 429 Second Avenue, South
New Orleans, 328 Carondelet street
Newark, N. J., 53 Clinton street
Pittsburgh, 427-429 Oliver bldg.

Philadelphia
910 Chestnut street

Portland, Me., 605 Masonic bldg.
Providence, 29 Westminster street
Richmond, 1202 24 Mutual bldg.
St. Louis, 405 Arcade bldg.
St. Paul, 334 Endicott arcade
Scranton, 408 Connell bldg.
Springfield, Mass., Winchester bldg.
Syracuse, 401-407 Gurney bldg.
Toledo, 428 Spitzer bldg.
Washington, 740 14th street, N. W.
Worcester, 407 State Mutual bldg.

Chicago
6 N. Michigan ave.

Distributors
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San Francisco, 568 Market street
Seattle, 108 Cherry street
Oakland, 365 Thirteenth street
McKee & Wentworth,
Los Angeles, 440 Pacific Electric bldg.
Parker Heat,
Dallas, 109 Field street
C. G. Adams,
Salt Lake City, 204-205 News bldg.

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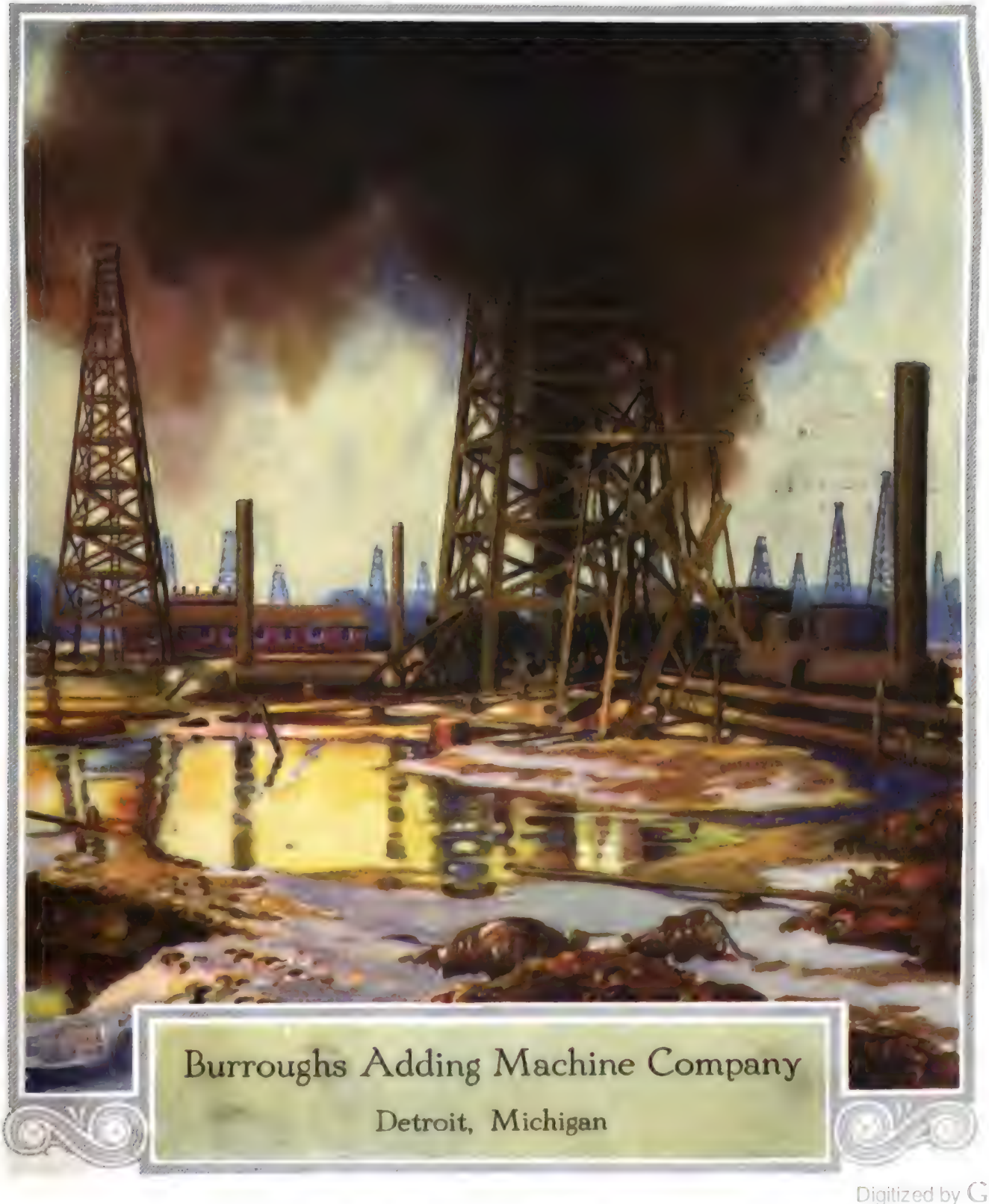
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BUSINESS

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BUSINESS



VOLUME TWO
NUMBER FIVE

FEBRUARY, 1921

LUCIEN KELLOGG, *Editor*
S. D. R. SMITH, *Business Manager*

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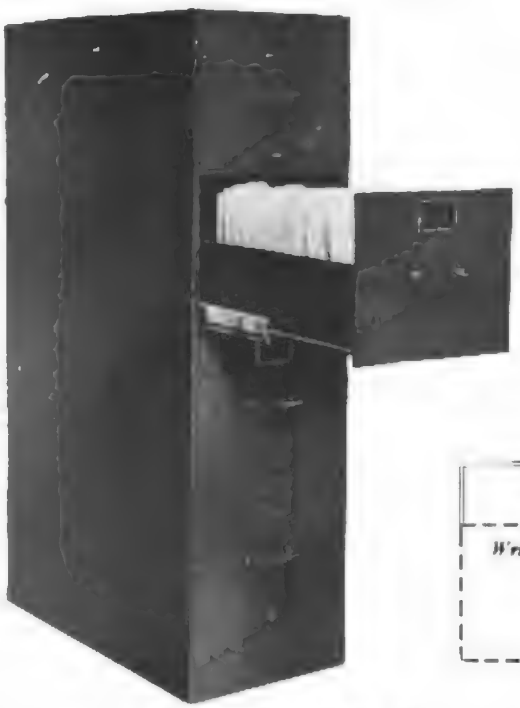
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CINCINNATI, OHIO

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Vol. 2, No. 5

BUSINESS

February, 1921

Salesmanship's Big Job

By ARTHUR H. LITTLE

USAGE FOR MORE than four years in the vocabulary of business has clothed a certain ugly word with a mantle of respectability and enabled it to appear in polite society without its quotation marks. That word is jazz.

Time was when jazz meant only a certain kind of music. The word was an an invention devised to describe something for which the language of music had no other adequate designation. Then it wore quotation marks. But business needed a word to describe something for which the language of business had no other adequate term. Business took the word over. And lo, jazz became respectable.

But now, no sooner has business established the word on a status of propriety than business proceeds to banish it. Jazz is to be exiled from the speech, at least from the speech of commerce. Now business never is fussy about words. It isn't dislike for the term, unbeautiful as it is, that moves business to banish jazz. The bald truth is that business no longer has use for jazz—in its business. The time for jazz in business is past. It doesn't work any more.

Consider for just a paragraph or two the time when jazz had a place in business. It began back during the war. The world, it seemed, went merchandise mad. The demand for goods rose from its easy, normal pitch to the proportions of a full-throated, argumentative clamor that beat about the ears of the producers—and set them to running 'round in circles. Production got the *crescendo*, the *forte* and the *spiritoso*.

Salesmen were called in off the road, inducted into overalls and put at work in the factories to help production step on the gas, the while the few of their brother salesmen who were left in their territories made the round of their customers to explain why orders weren't shipped and to "keep the buyers satisfied." But the buyers, their shelves bare, refused to be contented. They packed their grips and went to the producers, the wholesalers and the jobbers. They sat, the buyers did, in the ante-rooms of sales managers, waiting their turns to plead for goods. They waited all forenoon; then at noon they hurried out to a one-armed restaurant for a doughnut and a cup of coffee, and then hustled back to the ante-room to wait some more.

Production strained a tendon, but caught the tempo. Goods and still more goods went out and still the demand kept ahead.

And salesmanship? The while production pounded on the big bass drum and set the time, and shop-efficiency and institutional advertising and frenzied finance and all the other musicians blared their heads off on the brasses and the wood-winds, salesmanship was relegated to the tiniest instrument in all that vast orchestra of strident sound. Salesmanship tooted on the tin whistle.

Did jazz have a place in business? Business, forsooth, was all jazz!

Then came a change. Economically, the universe turned up-side-down. Production put the customers out and locked the door one night, at the end of an especially hectic day, and awoke the next morning to confront a new order of things—a buyers' market. But there were no buyers waiting in the ante-room. They'd gone back home, where something had happened. They'd gone back to their stores and locked themselves in their private offices to wrinkle their brows and scratch their heads and brood over a new phenomenon—a phenomenon that the economists have called a "consumers' strike." Something had stopped the music.

It's still with us, is this so-called strike of the consumers. Still the retailer wrinkles his brow and scratches his head and broods about it. He has been too greatly hurried, and now he is too sorely worried, to give much thought to plans of action. In some instances he has had the nerve



"It's Toasted"—and the tobacco company's salesman unpacks his kit and demonstrates the process to patrons of the retail store

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to slash his prices and pocket his losses to keep his customers buying. But he isn't happy.

Production, meanwhile, has caught up and caught its breath and had time to think. Production is thinking about what is to be done with its product. For the first time in more than five years, production—and by production is meant the manufacturers and distributors of goods—is thinking about marketing; thinking about constructive selling plans. Business, led by the manufacturers and distributors, has set about the job of taking the jazz out of salesmanship.

"You know," said a man who holds down the job of marketing counsellor for one of the country's best-known advertising agencies, "achievement is one of the prerogatives—and one of the privileges—of the leisurely man. Back at their conception, the big things don't originate in the brain of the busy, hurried man. It's the chap with plenty of time that thinks 'em up and puts 'em over. And that holds true in every line of human endeavor, from finance to fishing. In the present situation it's the manufacturer and the distributor who have the leisure—more leisure than they like—to think. And, believe me, it's up to them to think, too. The retailer is too preoccupied with his troubles just now to use his constructive faculties. But it's in his store and from his point of view that the thinking must be done. For the blockade in the stream of goods from the producer to the consumer is on the shelves of the retailer's store. That's what manufacturers and distributors should be thinking about now—that blockade and how to break the jam."

The country is not hard up. After a study of ten barometrics of business, indicators ranging from the fact that of all the Liberty bonds sold to wage-earners and farmers 80 per cent are still in the hands of the original purchasers to the fact that the United States has the largest merchant marine in its history and the second largest in all the world, Roger W. Babson, business statistician, gives this as his diagnosis: "The situation is fundamentally sound."

In other words, for him who will go after it, the business is there. Manufacturers and distributors have begun to do just that—to go after business. Their traveling joints are a bit stiff, perhaps, but some of them have gone a considerable distance along the way and others are following. It comes a bit hard, at first.

"Two years ago," a Chicago sales manager told me, "I made up a list of dealers and worked out a plan of intensive sales work in new fields. But I've been so doggoned busy that I haven't had time to apply the thing. Now I have taken it out and dusted it off and put it at work. I've gone stale, and I've got to get back into training."

Price, of course, was the first point of attack in the new drive of selling. As far back as October, a big clothes-making concern in Chicago invited its retailers in to "talk turkey" on the matter of price. "Look the stuff over," the buyers were told, "and we'll get together on prices—anything reasonable. For 1921 you and we are going to forget profits." Another clothing house, this one in Philadelphia, told its retailers: "We're going back to the price scale of 1914. We are expecting that you will do the same thing." In other instances price maintenance guaranties took the place of price reductions.

BUT to the dealer whose shelves are stacked high with goods, price reductions and offers of price maintenance have seemed mere aggravations. He needs help; and he, as a dealer class, incidentally, is in the majority. For by far the greater number of manufacturers and distributors in the country today the immediate job is to move the merchandise off the shelves of the retailer. And that is a job that calls for missionary work, for sales promotion, for sales education of the highest order.

There is the matter of point of view. For a half decade, throughout the era of business jazz that has just blown its way to a reverberating close, the manufacturer and the distributor have been out of touch with the consumer; they haven't been able to hear his voice for the noise. And it is the consumer, of course, who creates the selling problem for the retailer. It is the consumer, just now, who is sitting atop a somewhat bewildered world; he's smiling grimly; both his hands are in his pockets; and his fists therein are tightly clenched.

The sales executive of an Eastern manufacturing concern gave me his views on this matter of point of view, and told me what he is doing about it. "The trouble with many of the plans that are devised to help the retailer sell his merchandise," said he, "is that they are written by somebody in the advertising department whose contact with retailing has been confined to the times when he has gone into a store to buy something. In our business we have tried to get the dealers' viewpoint. We never offer a method, or a detail of a method, to our dealers that hasn't been worked out by a practical retail merchandiser and tried out under actual retail merchandising conditions. Our salesmen 'sell' our retail selling plans to our customers.

"And here's a secret: We are encouraging our salesmen to buy into the ownership of retail stores. We'll even help any one of our men to acquire an interest in a store. If he has a part of the cash, we'll help him finance the rest of the purchase. No, we aren't trying to set our salesmen up in business so that we can sell to them. We want them to continue as salesmen for us. But, by giving them actual interests in retail stores, we are giving them the retail point of view."

In the adoption of channels through which sales instruction is to be disseminated to retailer-customers, there has been a wide variety of choice. One of the most interesting methods has been the use of trade journal advertising space, as employed by the House of Kuppenheimer, otherwise B. Kuppenheimer & Company, clothing manufacturers, of Chicago. The Kuppenheimer Company bought pages and two-page spreads in the trade publications and filled them with brass-tack text on the subject of selling clothing to the consumer.

Succeeding advertisements were written to discuss different phases of the retail sale of clothing—price, style, materials, fit, workmanship and so on. The salesman was urged to learn the goods he sold, and then he was told the facts about Kuppenheimer clothes that he would need for an adequate working knowledge of Kuppenheimer merchandise.

Throughout 1921 the House of Kuppenheimer is to augment the trade journal campaign with a series of twelve monthly lectures on salesmanship, to be printed in



PHOTO BY BROWN BROTHERS, NEW YORK CITY
"Look the stuff over and we'll get together on prices—anything reasonable"

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he company's house organ, the *Kup-ernheimer Retailer*, which has a circula-ion of 10,000 among retailers and their alesmen. In each month's issue a epartment is to be set aside for the ecture. Each lecture will discuss some pecific phase of selling; and each of hem will be especially written for he purpose of promoting the sale of Kuppenheimer clothes. The *Retailer* vill urge retail salesmen to form sales-nanship clubs, so that they may study he lectures at home and then, in the egular meetings of their club in the tore, discuss and demonstrate what hey have studied.

Another, and of course the most eneral and most direct, point of con-act between the house and its cus-omers is the former's salesmen. The alesman is the chap "on the ground." Ie knows, or should know, a great eal about the retailer's problems of elling. He comes into personal touch vith the store proprietor and his selling taff. He can call the men by their icknames and tell them things "for heir own good." Besides, if he hap-ens to be selling some technical or ighly specialized product, he can ransmit selling tips of inestimable alue. Take electrical goods, for in-tance.

The manufacturers of a certain ocket flashlight encountered an un-avorable condition that was set right y instruction work on the part of alesmen.

A customer would come into a store andling this company's goods and sk to be shown some flashlights.)ften it was a woman behind the ounter—a woman to whom all things nechanical were mysterious and per-erse—who would wait on him. She vould take a box off the shelf, lift out flashlight and undertake to demon-trate the contrivance. Usually she ot into trouble. She would handle he thing awkwardly. When she tried o switch on the light she would push he contact button in the wrong direc-ion. Meanwhile the customer looked n, at first politely, then impatiently nd then skeptically. Many a sale was poiled.

But now, when a salesman of that lashlight concern sells a bill of oods—and at all other times when the ircumstances seem to require—a part f his job is to teach everybody in the tore who will sell those flashlights just ow the things are operated. If there s a woman in the place, he picks on her as his particular prey. "Now," he directs her, when he has finished his demonstration, "you sell me." He doesn't relent with her until she has proved that she can handle that flash-light, and handle it well.

Paint is a prosaic thing. There seems to be nothing mysterious about it. Anyone with a grain of sense and



Demonstrating the making of brooms, Marshall Field & Company

a modicum of experience in the ways of the world ought to know everything that needs to be known about paint—at least, so it would seem.

"Of all the things in his store, of all the merchandise that he handles, the average retailer who sells paints and varnishes knows the least about those two things," said a sales executive of the Sherwin-Williams Company, paint manufacturers, of Cleveland. "Of course, the retailer knows something about paints and varnishes. He knows how much they cost him and what he ought to sell them for to realize a profit. But he knows next to nothing about the right methods of applying paint; and he knows even less than that about the possibilities of the sales of paint."

THE "average" retailer of paint, however, does not mean the average retailer of Sherwin-Williams paint. The Sherwin-Williams dealer is being educated, and so are his salesmen. If he reads what the house sends to him and if he heeds what its representatives say to him, either he or any one of his salesmen can make himself a painting engineer.

Everything that the Sherwin-Williams Company has learned about the applications of paint in a long experience of experiment and manufacture is being passed on to the retailer. Much of it is embodied in what the company calls its Mail Course in Retail Paint Salesmanship. The course consists of a series of bulletins. And these bulletins, by the way, are no mere booklets. They are books, stoutly bound, not bulky, but designed and made to last.

Under the sub-heading of "The Broader Viewpoint," Bulletin No. 1 gets off to this kind of start:

"There are certain fundamental things every man must know about his job. He must realize its relation to business in general. He must know what he is supposed to do. He must know the best way to do it.

"There is no position in the commercial world more important than that of the retail salesman. You represent the connecting link between the manufacturer and the merchant and the great buying public. Through your hands pass all the products of the mills, factories and workshops. A manufacturer may stock a merchant, but until the goods have progressed through you to the ultimate purchaser the sale is not consummated.

"Today the clerk holds a position of trust and responsibility. He is the merchant of the future. Wanamaker, Marshall Field and other merchant princes started behind the counter. To you come the home owner and housewife, mechanic and farmer for advice. You must know human nature. You must know the best business practices. You must know the merchandise you sell."

Some of the sub-headings in the bulletins will convey an idea of the thoroughness of the treatment: "The Courteous Clerk," "Become a Specialist," "Study Human Nature," "Apparel Oft Proclaims the Man," "The Liquids Used in Sherwin-Williams Paint," "Linseed Oil—How it is Made," "Turpentine—Its Origin and Use," "Objections to the Use of White Lead Alone."

Along with his textbook study the student retail salesman is getting laboratory work in the applications of paint. As an example, consider this excerpt, lifted at random out of one of the bulletins:

"Study the color cards. Do you appreciate the vast amount of time consumed in getting accurate data regarding the proper treatment of the surface, thinning, dying, etc., printed on these little folders? Don't let them become stale. Read them. Memorize

(Continued on page 40)

Service in the Seventies

By ROBERT L. CUSICK

A YOUNG FELLOW was sitting and thinking one noon in a corner of his father's workshop. He was struggling with a problem that for days had engaged his attention to the exclusion of almost everything else.

Oblivious to his surroundings, he neither saw nor heard a young woman who hesitated a moment at the door, then picked her way across the room.

"Pardon me," she said, "I am soliciting for a magazine. Would you be interested as a prospective subscriber?"

The young man looked up, but shook his head. "No; I think not." He spoke with a tone of finality.

The young woman, however, not to be so easily rebuffed, laid a copy of the publication in his hands. "It is really a very interesting paper," she assured him. "I am confident you would find something in it to repay you for your subscription."

Still occupied more with his problem than with the young woman's appeal for his subscription, but not wishing to seem rude, he opened the magazine and lightly thumbed its pages. Suddenly he paused; his eyes kindled as he began to read rapidly. His attention had been caught by an article that described the operations involved in the boring of the great Mt. Cenis tunnel, then in course of construction in Europe.

"Yes," he exclaimed, "you may send me the magazine for a year. And I should like to start my subscription with this copy."

Success is always just around the corner. George Westinghouse had overtaken it in a most unexpected manner. The article that had been literally thrust upon him with a sample copy of a magazine brought him the solution of his own problem. In a flash he saw that compressed air, the agency that was being used experimentally in the operation of the boring apparatus at a distance of 3,000 feet from the compressor in the Mt. Cenis tunnel, could be employed satisfactorily in placing the brakes of an entire train of almost any size under direct control of the engineer.

He had conceived the idea of such a brake system months before and had developed it to a point that left only one thing to be desired—an efficient operating agency. He had experimented with steam, but found that it evaporated and lost its force by the time it had traveled a few car lengths, especially in cold weather. Steam, he realized, never could be used successfully on a long train.

What, then, could be used? That was the question answered so unexpectedly when the young woman solicitor stepped upon the scene.

Very shortly after the big thrill that came with his discovery, Mr. Westinghouse, then 24 years old, had his air brake patented. It was some little time, however, before he could persuade the railroads to adopt it, and until that was accomplished it was virtually useless. Had he been only an inventor he might have disposed of his patent at the first good opportunity. In addition to his inventive genius, however, he was an unusual organizer, a capable financier, a born leader of men, and an exceptional salesman with a keen insight into the fundamental principles of merchandising.



The late George Westinghouse
He welcomed the chance to spend a fortune on a single demonstration—and delivered service by the trainload

It was only natural, therefore, that he should decide from the outset to manufacture and market the invention himself. He followed that same course successfully with his many subsequent inventions, so that today the vast industries he established represent a total capital investment of close to $300,000,000 and provide employment for approximately 75,000 persons.

The Westinghouse Air Brake Company, the first industry he founded, was organized in 1869 and began operations the same year in Pittsburgh with a force of 100 employees. Today it is a $30,000,000 corporation with headquarters at Wilmerding, Pa., and important branch factories and offices throughout the world. If the rolling stock it has equipped were coupled into one solid train it would encircle the globe one and one-fifth times, the locomotive at Pittsburgh and the caboose at Chicago

The story of the methods followed by Westinghouse in marketing the air brake is interesting chiefly because it reminds us that in the early seventies, approximately fifty years ago, Westinghouse was setting the business world an example by putting into his product a degree of service that has stamped him as one of the master salesmen of the age.

He was meticulous in the matter of placing service above everything else in business, and of making this service so appealing and useful to his customers, prospective and otherwise, that they felt they could not afford to be without his product. He was at least a quarter of a century ahead of the times in this respect—a pioneer.

"Service," to him, meant going to any extreme to make his air brake a sound investment for any railroad that installed it—studying the needs of the road and furnishing expert engineering advice on all questions of operation and adaptability in advance of the sale; sending experts to supervise the installation after the order had been placed; supplying instructors to teach employees how to manipulate and care for the apparatus; and constantly thereafter keeping his field experts in touch with the railroad to render any possible service that might from time to time add to the value and efficiency of the equipment from the viewpoint of the customer.

It is now generally recognized that service is a merchandising factor of the utmost importance. Indeed, it has been so strongly emphasized in recent years that one might conceivably be hoodwinked into regarding it as a discovery of the last decade. The truth of the matter is that too few merchants and manufacturers properly appreciated its possibilities in the past. Everybody has now awakened, however, to a full realization of its far-reaching value as a business-builder. It has become absolutely essential to success in any field.

"The service is rotten." That phrase

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has spelled the doom of many a promising business.

One of the best-known manufacturers in the country indited a message not long ago to the members of his organization and to managers of stores that acted as agents for his goods. He outlined the principles he stood for and had the work bound up into neat little booklets for distribution. Here is one of the main points he emphasized:

"There is one big element of success in this world, of personal success and of business success, and that is good will."

Then he proceeded to define good will and it turned out to be something that is entirely dependent on service. He said, in effect, "Give your customers better service than they get from the other fellow and you will win their good will and clinch their patronage."

A clothing company of national reputation, conducting an advertising campaign in the newspapers, said in one of its advertisements a few weeks ago:

"Good will and profits: Merchants who sell our clothes are now sacrificing profits for good will; if they can't get both they prefer good will; it's more valuable."

In fact, such a multitude of business people of every description these days are emphasizing service, or its product, good will, that a certain printing establishment felt justified in criticizing the situation in a folder as follows:

"The word 'service,' lately, has been so woefully overworked that it is becoming round-shouldered. It leaps out at the readers of newspapers and magazines from so many advertisements that it has lost much of its punch. It is quite the usual thing for these astute merchants and manufacturers to employ the great force, Advertising, to brag about their service whether it happens to amount to anything or not. We are all rather surfeited with the word. Still, as it is the only single word descriptive of a most important phase of modern business, it cannot be eliminated. And it should not be; but it might be used with a little more discretion and a little less reckless abandon. Then, perhaps, its original significance would return and it would again mean something."

This paragraph hits the nail squarely on the head by suggesting that service can rarely be put across by talk. It implies action. A plumber may be ever so pleasant and polite about promising to repair a leak in the kitchen drain, but until he actually repairs the leak we do not consider that he has delivered service.

Westinghouse service, as we shall see, was sometimes delivered by the trainload.

The inventor did not launch his business with the idea of making a quick financial coup at the expense of his customers and then leaving them to worry along as best they could with a lot of highly-involved apparatus. For ten or twelve years he concerned himself principally with a great educational campaign that probably never has been surpassed by any other manufacturing concern.

In the beginning he was the only man that understood the air brake and he realized that he had two big tasks on his hands: first to demonstrate its practicability and efficiency to the railroads; second, to teach their employees how to operate it. This involved a problem that he tackled and solved with characteristic vigor and foresight. Instead of going to a customer and saying, "I have a new brake that is greatly superior to any other now in use," and then trying to explain its principles on paper, he put the apparatus on a train and said, "Here it is; try it out."

In 1872 he was advertising that he would furnish a trial train to any railroad upon request, "with a competent man to superintend the application of apparatus, teach employees to use, etc."

He always attached the utmost importance to the instruction of railroad employees, appreciating that it was essential in order to insure proficiency in operation and upkeep and to carry out his policy of safeguarding the interests of his customers. Early in his campaign he therefore developed a corps of experts that devoted their time to spreading knowledge among train and shopmen. These instructors were constantly moving about in the field, giving lectures, holding classes and showing the men how to handle the brake with the best results.

A special instruction car was built and furnished to the railroads free of charge, together with the services of two instructors. This car has been on the go up to the present day and has traveled nearly 150,000 miles, giving instruction to more than 300,000 railroad employees.

Two thoroughly equipped dynamometer cars, designed and built by the Westinghouse Air Brake Company, were also placed at the disposal of the railroads. For the benefit of the many who never have heard of a dynamometer car, it may be permissible to state that it is one of the most ingenious pieces of mechanism ever devised. Coupled into a train and connected with the engine, it records on a chart every minute detail of a trip from the time the train starts until it reaches its destination. The fireman cannot throw a shovel of coal into the firebox; the engineer cannot move his throttle, or inject a gallon of water into the boiler, or apply the brakes ever so lightly but the action is recorded.

Any time after a trip with the dynamometer one may consult the chart and ascertain the exact time the train passed any given point, how fast it was going, how much steam was carried, how much fuel was being used,

(Continued on page 34)

Geo. Westinghouse, Jr., President. Robert Pitcairn, Treasurer.

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PITTSBURGH, Pa., U.S.A.

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UNITED STATES, CANADA, MEXICO, SOUTH AMERICA, SCOTLAND, ENGLAND, and BELGIUM,

And is being rapidly introduced Throughout the Civilized World.

IT COMMENDS ITSELF to the TRAVELLING PUBLIC by ENSURING

Greater Safety, Comfort, and Expedition,

AND TO THE RAILWAY MANAGER, BY

Decreased Wear of Wheels & Running Gear, Brakemen's Wages, Cattle-Killing Expenses, Collisions and other Accidents.

Being now adopted by a majority of the Railroads on this Continent and accepted by them as the STANDARD BRAKE, the advantages of preserving uniformity with these Lines will be apparent.

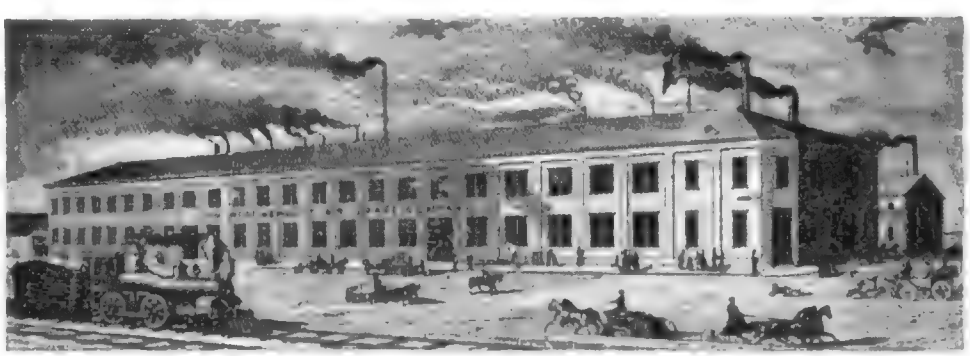
All Railroads Equipped on Favorable Terms.

☞ A Trial Train furnished any Railroad Company, with a competent man to superintend the application of apparatus, teach employees to use, &c., &c., by addressing

RALPH BAGALEY, Secretary,

PITTSBURGH, Pa., U.S.A.

In 1872 Mr. Westinghouse was advertising that he would furnish a trial train to any railroad on request



The Westinghouse Air Brake Factory as it looked in 1869

Nursing the Sick Account

"Almost Anybody Can Bury a Dead One, but It Takes a Real Credit Doctor to Resuscitate a Sick Business"

By BENJAMIN E. CUSHING

FOR THE THIRD YEAR in succession the country is experiencing an epidemic of "flu," only this winter it is commercial "influenza" instead of the human kind. Business is sick. Customers who formerly paid promptly have slowed up; those who were slow but good are slower; while in many cases those who needed pushing in the old days are now unable to pay at all.

With business falling off in many lines and virtually at a standstill in some, collection of outstanding accounts has become the chief activity of most establishments, and with such collections meeting the toughest sledding since before the war the problem of the financial man in any firm at present is both highly important and unenviable.

As J. W. Meriam, secretary of the Lincoln Electric Company, Cleveland, said the other day: "Credit men, not salesmen, are doing the traveling nowadays. Seven of us credit men were in the same Pullman washroom the other morning, all going to the same town and three of us to see the same customer. We drew lots to see who should have the first crack at the account."

And Charles E. Adams, president of the Cleveland Hardware Company, speaking before the Cleveland Association of Credit Men recently, said: "I had always opposed our travelers doing collecting, but in the last thirty days I have changed my mind. Right now they are doing nothing else."

The trouble is that many credit men, when faced with impaired risks and impending losses, either become excited and don't know what to do, or are scared into doing the wrong thing.

"Sick accounts" are just like sick people and require the same sort of treatment. There is nothing mysterious about it if credit men would stop to look things calmly in the face and apply the medical parallel. If a member of your family is taken ill, you don't ordinarily scold him or threaten him. Instead you make him as comfortable as you can, summon the best physician and then apply the remedies suggested by the diagnosis. You nurse the ailing one until he is on his feet again. Then you counsel him against the indiscretions that caused the attack and keep your eye on him until he is entirely recovered.

It is the same way, or ought to be the same way, with the "sick account."

J. H. Tregoe, of New York, secretary of the National Association of Credit Men, has termed the modern credit man a "credit physician." He is a potential doctor who, in this present day, should be practising his profession to the very limits of its healing possibilities.

In commercial health, as in human health, there are two channels into which effort may be directed: (A) the nursing and cure of the business already sick, and (B) the prevention of future business illness. It goes without saying that if all the proper preventive measures had been known, understood and applied, the present epidemic of commercial "influenza" never would have occurred. But these measures were not known and the epidemic is here. Business men, consequently, are more interested right now in knowing how to cure the patient than in how to prevent him from getting sick again after they may have restored him to activity.

BEFORE discussing preventive measures let us see what some of the leading credit specialists are doing to combat the present outbreak.

In a given case of a sick account, there are to be considered: first, the diagnosis; second, the remedy.

Diagnosis involves the detecting and analyzing of symptoms. The wise credit doctor must be able to detect and analyze in order to know what remedy to apply and how to apply it.

Symptoms of commercial "influenza" are many, according to recognized leaders in the credit fraternity. Here are some of them:

"Slowing up of payments and permitting of accounts to become past due."—F. E. Martin, secretary, the Valley Lumber Company, Grand Rapids, Mich.

"Part payments, asking extensions, giving notes, arguing, fault-finding."—William G. Woodworth, credit manager, Bausch & Lomb Optical Company, Rochester, N. Y.

"An order from a new customer, shown by investigation to be owing your competitors."—F. S. Walden, assistant secretary, Strevell-Paterson Hardware Company, Salt Lake City, Utah.

"Post-dated checks, unsigned checks, mis-mailed remittances and other apparent mistakes that give the debtor more time to wiggle."—Guy W. Rouse, president, the Worden Grocer Company, Grand Rapids, Mich.

"Overbuying, as indicated by too many first or increased orders revealed on an Interchange Bureau report."—Will S. Campbell, secretary, the Cleveland Neckwear Company, Cleveland. Mr. Campbell, in fact, holds that the interchange reporting medium of the National Association of Credit Men is an excellent method of detecting "high blood pressure" and other obscure causes of approaching difficulty, and this view is shared by many others.

Sometimes the causes of "sick accounts" fail to produce any marked symptoms until a "stroke" occurs. One of these, in the opinion of George H. Griffiths, price supervisor of the Sherwin-Williams Company, Cleveland, is failure to keep proper books of account.

Given the symptoms, treatment becomes the matter of prime import and depends, of course, on the sort and severity of the attack.

Credit practitioners, however, agree upon certain fundamentals:

First—Action should be prompt. There is no more time to be lost than in appendicitis if the patient is to be saved.

Second—The credit physician should confer personally with the patient, either at the "bedside" of the victim or at the "doctor's" office.

Third—Reduced diet is usually necessary, as well as some restriction of movement, and these should always be supervised by the "doctor" or a "nurse" of his choosing.

"About as many merchants should be scared as reassured," says Guy W. Rouse, president of the Worden Grocer Company, Grand Rapids. "The reckless must be scared. The man whose iron has slipped out of his backbone must be reassured. Too rigid restriction of freedom of action reduces the possibility of successful operation of the business. Rather, certain policies should be outlined that will promote better business practice. The ability of the principal to apply them is an encouraging sign. His failure to make headway is a danger signal that would suggest the need of taking a stronger hold on his affairs. A major operation is often necessary. Whenever there is any question of fraud or dishonesty a major operation should be performed immediately—when necessary, by removing the principal from the business."

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Mr. Woodworth, of Bausch & Lomb Optical Company, Rochester, says: "With us the credit doctor is kept in the background. We must use Christian Science methods to succeed. A major operation is sometimes necessary if there is fraud or refusal to make a compromise agreement, but when we perform a major operation we must take care to lose no sponges. The operation should be performed under the ether of kindness, but with the knife in a firm hand."

"Where investigation reveals that a debtor is capable of continuing in business," says P. E. Parrott, treasurer of the Battreall Shoe Company, St. Joseph, Mo., "we believe conditions usually require a more vigorous collection of his outstanding accounts and a reduction of stock until it is commeasurate with capital invested."

"A meeting of creditors with the debtor in attendance," is the first step advocated in treatment of the "sick account" by Mr. Walden, of the Strevell-Paterson Hardware Company, Salt Lake City. "If the patient's reputation has been good and conditions indicate that he can work his affairs into proper shape, he should be allowed an extension. If, however, his honesty or ability are questioned or conditions are against him, a receiver, under direction of creditors, should be appointed to reduce the assets to cash and proportion recoveries among creditors. Where extension is granted, creditors should appoint a 'nurse' to help formulate a policy and watch developments closely, giving personal investigation at stated periods."

Possibly no more experienced specialist in handling "sick accounts" can be found than T. C. Keller, commissioner of the Adjustment Bureau of the Cleveland Association of Credit Men. He handles cases that the ordinary credit doctor has "given up" or doesn't care to treat. Mr. Keller agrees with Mr. Walden that the "council of physicians" is imperative at the very outset.

"The first thing a credit man should do when he gets a sick account," says Mr. Keller, "is to go to see the patient. Talk frankly with him. Be sympathetic. Be courteous. Gain his confidence. Get him to unburden himself. Get him to show his books, if he has any. So often the sick business has no books. Don't say: 'Here, I want mine and the other creditors can go hang.' Get the names of two or more other large or active creditors. Then get them to come to the Adjustment Bureau and talk the matter over. Bring in the patient, too. Make the bureau your hospital, rather than a cemetery. Almost anybody can bury a dead one, but it takes a real credit doctor to resuscitate a sick business.

"When you get the ailing one into the bureau, try to find out what his trouble is. Determine where the leaks are. Ascertain the sore places. Go at him as you would if you were a hospital interne and an accident victim were brought to you. If there is any way the business can be kept going, I recommend it even if creditors must take a loss. Of course, if the debtor is throughly disheartened and discouraged the thing to do is to liquidate.

"When in trouble with an account, never go to a lawyer first. Always see if the difficulty cannot be worked out in conjunction with other creditors. Only when there is evidence of fraud, or likelihood of fraud, is it necessary to go to an attorney. Sometimes pressure is necessary, but the best way to apply pressure is to have several creditors do it, rather than one. Lawyers' fees and court costs amount up frightfully. So far as helping the patient is concerned, it is like buying patent medicine. Our experience is that the average case that will pay, say, 50 per cent, when adjusted without suit through the bureau, will pay not more than 18 per cent when thrown into court."

So we have a view of the symptoms and their treatment. How does all this work out in practice? What do the records of actual clinic cases show?

Here are four that are typical:

How to Diagnose and Treat Commercial "Influenza"

First Stage—Fever (Overbuying)

Symptoms: Unusual orders in your own files; dead stock reported by salesmen; slow turnover revealed by customer's statement; frequent credit inquiries; too many first or increased orders shown on an interchange report.

Treatment: Reduce amount of orders; decline to allow lapping of past due items.

Second Stage—Chills (Slow Remittances)

Symptoms: Past due items; checks "on account;" post-dated checks; protested checks; notes; accounts placed with attorneys.

Treatment: Try a collection letter that embodies "pep" and tact. If necessary, repeat the dose, increasing the amount of "kick." Severe cases sometimes respond to the magnetic treatment of a personal call. Many cases need tonics, such as hints on advertising, window trims, display of merchandise, education of sales force, better collection methods, economies in operation.

Third Stage—Dementis (Peevishness)

Symptoms: Old customers become unreasonable as their discomfort increases. They make unjust claims and excessive demands. The less able they are to pay, the more they insist that they are "good."

Treatment: Kindness is necessary, but also firmness. Do not permit deduction of excessive or unearned discounts, refusal to pay interest or unjust returns of merchandise.

Fourth Stage—Coma (No Response)

Symptoms: Customers won't send checks, won't answer letters or telegrams, won't give a promise to a salesman or collector.

Treatment: This stage demands consultation. The mere presence of a number of "physicians" will arouse some; assurance of sympathy and co-operation will revive others; threats will awaken still others, while a few will respond to nothing but a hypodermic of legal processes.

CASE NUMBER ONE

(Illustrating Some of the Causes of Illness in the Account)

By George H. Griffiths
The Sherwin-Williams Co., Cleveland

WE couldn't understand why the patient didn't have money to pay his bills. He was doing a good business and claimed to be making a satisfactory profit. He finally asked me to go over his books to see if I could find out what was the matter. There were some interesting developments. I found, of course, that he was a poor collector. Most involved accounts have this difficulty. I told him he must push his collections. With the class of accounts he had there was no excuse for his not getting his money.

But the biggest surprise to him was when I pointed out that he had not discriminated in his bookkeeping between expense and plant accounts. For instance, he operated an automobile in his business. He bought tires and gasoline and charged them to his automobile account as an asset. His machine, which cost $1,500 or $1,600 when new, was on his books at about twice that figure, when it was really worth only a fraction of its initial cost.

He handled wall paper, as well as paint and varnish. He didn't realize that there are fashions in wall paper and that left-over stock must be depreciated. He carried it on his books at its original cost.

When he had finally separated his expense and depreciation from his assets he found the former much larger and the latter much smaller than he thought. He saw the need of revising his selling prices immediately in order to obtain the percentage of profit he thought he had been making.

* * *

CASE NUMBER TWO

(Illustrating Emergency Treatment of Sudden Attack)

By E. S. Sisson, Credit Manager
Pittsburgh & Ohio Mining Co., Cleveland

WE sold coal to a Michigan concern rated "A1" with the best of references. Its financial statement

showed a liberal surplus of assets over liabilities. Suddenly it became unable to pay its bills. It then owed us $17,000. I went immediately to see the patient. The concern, which was in the cement business, had listed as assets $300,000 in marl lands from which we supposed it to be getting raw material. My investigation showed that these lands were worth not over $30,000 and that they were so poor that the company was actually buying crushed stone elsewhere and shipping it in. This made a vast difference in the appearance of the balance sheet.

The immediate attack had come when the principal contractor to whom the company was supplying cement had stopped all work and the company found it impossible to market its product. I told my firm that if the account were forced it wouldn't pay over 10 cents on the dollar. My superiors were in favor of charging off the whole amount and forgetting it, but I asked permission to try to work it out.

The debtor finally agreed to give me a series of four notes to cover our account, payable one every thirty days, with a real estate mortgage as security. The notes were not paid when due, but we ultimately got our money with interest at 6 per cent by giving the patient a chance to right himself and get going again.

It was a case wherein counsel, co-operation, reassurance and careful nursing saved what otherwise would have been almost a total loss. Incidentally the experience caused the debtor to adopt better business methods to his own advantage.

* * *

CASE NUMBER THREE

(Illustrating Results of Hospital Care)

By T. C. Keller,

Credit Men's Adjustment Bureau, Cleveland

A CLEVELAND wholesale grocery company sold to a retail dealer who was an immigrant. He was prompt pay for some time, then became very slow. Investigation revealed a stock worth $500 to $700, with debts of $4,000. The creditor brought the case to the bureau for treatment.

We called a creditors' meeting and brought in the patient, or rather the patient's wife, for it developed that the debtor himself was sick in bed, that his son was a cripple and that the wife had been caring for the two and trying to run the store besides. As fast as she obtained a little money it went to pay doctors' bills or to apply on old accounts.

Had we liquidated the estate it would have paid creditors practically nothing, for the debtor would have claimed an exemption of $500, which would have accounted for all the assets. The woman asked for a chance. The creditors decided to forget old bills temporarily, continue her in business and sell her as she needed, C. O. D. She promised to heed the advice of the creditors in the management of the store and to pay the old accounts as rapidly as possible.

Today every creditor has been paid in full. The woman has a stock worth $5,000 fully paid for. The husband has regained his health. The son is improved. Meanwhile the creditors have profited by her orders.

A council of physicians, hospital treatment and good nursing paid.

* * *

CASE NUMBER FOUR

(Illustrating Results when Litigation is Eliminated)

By H. Uehlinger,

Hilo Varnish Corporation, Brooklyn, N. Y.

THE debtor's attorney sent out a notice for a meeting of creditors. One of the creditors communicated with others whose names he obtained from the list of references supplied by the customer when the account was first opened. He asked them to go to the meeting early for a conference with him.

When the meeting was called the creditors asked the attorney to withdraw from the case, paid him $25 and called a subsequent meeting at the office of the New York Credit Men's Association, to be attended only by the creditors and the debtor. The case was freely discussed and the creditors agreed to give the debtor an extension of one year and such advice as he needed, because investigation indicated that he deserved every possible consideration.

The year passed. One hundred cents on a dollar was paid, there was no loss to creditors, there was a big profit to the merchant because his commercial record was kept clear, the lawyer was satisfied with $25 for the small part he had to play and the creditors had a better, safer customer with whom to deal.

* * *

So much for symptoms, treatment and clinic cases.

Now to go back to the prevention phase of the situation. Granting that the present epidemic ultimately will be overcome, how may a recurrence of the "flu" be prevented? How may the germ be isolated? What is the vaccine that will make the commercial world secure against "sick accounts?"

Mr. Uehlinger, who is assistant treasurer of the Hilo Varnish Corporation, and probably the greatest authority and deepest student in the country on this subject, has a "vaccine" that he calls "business service." So effectively has he pioneered in the use of this serum, which contemplates co-operation and friendship between credit men and the customers of their houses, that there has been created by the National Association of Credit Men a Department of Business Service with Mr. Uehlinger himself as its head.

"As to the application of business service to the present epidemic of commercial 'influenza,'" says Mr. Uehlinger, "the damage done by credit men during the past few years, in allowing their customers to over-expand their producing facilities to meet the peak of sales, cannot be remedied now by business-service. The adjustment bureaus will do that.

"What the credit business-service practitioner can do at this present moment is to see that his customer cuts his overhead and reduces the amount of merchandise on hand almost immediately. The business-service man should know the temper and tone of of his customers, that he may be able to lead them through this severe

(Continued on page 44)

How Many of These Expenses Do You Fail to Charge?

Money spent in learning with reasonable accuracy the cost of doing business and its proportion to sales, says George H. Griffiths, managing supervisor of prices for the Sherwin-Williams Company, is an investment and not an expense.

Mr. Griffiths enumerates the following items of expense, the majority of which are incurred by most enterprises and should be included in the cost of doing business:

- Salaries of principals
- Salaries of buying department
- Salaries of salesmen
- Salaries of office staff
- Wages of warehousing department
- Wages of shipping department
- Wages of delivery men
- Wages of store clerks
- Wages of salesmen
- Advertising—all kinds
- Gifts to customers
- Rent
- Interest on capital
- Interest on borrowed money
- Insurance
- Stationery and office supplies
- Warehouse supplies
- Shipping department supplies
- Store supplies
- Repairs and renewals, general
- Telegraph
- Depreciation on merchandise
- Depreciation on equipment
- Telephone
- Allowances
- Uncollectable damage losses
- Cash Discounts
- Donations
- Collections
- Licenses
- Delivery
- Postage
- Fuel
- Light
- Heat
- Power
- Water
- Freight
- Bad debts
- Taxes
- Legal
- Miscellaneous (Not included in foregoing)

How Will You Have Your Tax?

By ALFRED L. GEIGER

Member of the Bar of the District of Columbia, and of the National Tax Association

REVISION of the federal tax laws is one of the most serious and urgent economic problems now confronting Congress. The existing legislation was passed under the stress of war and was designed in the main to yield a maximum amount of revenue without considerable thought as to whether it would operate equitably. It has accomplished its purpose and it is generally admitted, even by its framers, that it has outlived its usefulness and should be repealed or amended.

The business interests of the country should not be deluded, however, into the idea that taxes will not be high for some years to come. The enormous war debt will have to be paid as it matures, amounts raised by Liberty Loans must be refunded, and current expenses of government must be provided for. The Treasury, in consequence, must continue to raise a large amount of money by taxation. The only question is: By what method shall the necessary amounts be obtained?

Although it is too early to attempt a prediction of the fiscal policy of the new administration, it can be said as a matter of certainty that one of its main features will be tax revision designed to modify and simplify the present laws. Of course, the tax rates will be determined to a certain extent upon the amount that the Republican Congress intends to raise by means of the tariff. Probably it will be the policy of the majority to raise a certain percentage of the needed revenue by means of a tariff law that will tend to bring in an increased amount of money at the customs houses so that the burden of taxation under which the business and manufacturing interests of the country have staggered for the last few years can be alleviated, at least to a certain extent. Taxes doubtless will be high for some years to come, but the attitude of the new administration will be to impose such rates as will interfere neither with the accumulation of capital for financing the increased needs of the country nor with the efforts to reduce the high cost of living and to extend our foreign trade.

Whatever the form of the new tax law may be, several administrative problems confronting the Bureau of Internal Revenue must be considered by the Ways and Means Committee in framing the new measure. Secretary Houston recently stated that the present statute had reached a point "where it is clogging the administrative machinery and threatens, indeed, its possible breakdown."

For some months the bureau has been congested with unaudited returns —returns that will not be reached for several years. This is due partly to the complexity of the present law and partly to the frequent reorganizations of the bureau, necessitated in part by the large turnover among its officials and employees. Another important question is the high cost of collecting the revenue. Congress will try to provide an equitable distribution of the tax burden, a more simplified administration to remove the problem of "back taxes," and a reduction in the cost of administration by the Treasury Department.

One of the methods proposed for taxing the business interests of the country is the gross sales or turnover tax, which has been discussed during recent years. In this article the merits and demerits of the gross sales tax will not be exhaustively discussed, but some of the arguments advanced by its advocates and the objections of its opponents will be presented so that the average business executive can frame his own opinions as to the desirability of the suggested method of taxation.

For several years J. S. Bache, a New York banker, and William C. Cornwell, editor of *The Bache Review*, of New York, have been ardent advocates of the gross sales or turnover tax. The



Tax League of America has also been formed to urge upon Congress the desirability of adopting this form of revenue measure, and a number of business and mercantile associations throughout the country have endorsed it as a substitute for the present law.

In his advocacy of the gross sales tax Mr. Cornwell carefully differentiates between a tax on retail sales and the turnover tax. The tax on retail sales he opposes as burdensome, complicated and disturbing to the public; what he favors is the tax on gross sales, or turnover tax. In a recent letter to a member of Congress, Mr. Cornwell, explaining the distinction, said:

"We think that you have misconceived the character of the tax we favor. Your estimate of what a 'tax on gross sales' (the one we advocate) would do to the people is based upon what the 'tax on retail sales' would do.

"This last tax, the one on retail sales, is illustrated in the soda water tax where, for every 15-cent drink, the public has to get a little pink ticket and pay 2 cents more for it—a most outrageous tax, over 13 per cent—but the annoyance and inconvenience is almost worse.

"This does not describe the tax on gross sales. In this gross sales tax the seller, not the buyer, pays. This is the way it would work:

"The merchant or seller would take from his books once a month the total amount of his sales and forward the statement to the Collector of Internal Revenue with his check for one per cent of the amount of such sales. This would be the method all along the line.

"So you will see that the retail purchaser would never know anything about the tax, or at least not when he was buying the goods. He might, in his own mind, believe that somehow he was paying the tax. He might and he might not be paying it. That would depend upon the competition which prevailed in that article at that time. If it were being over-produced and there was a surplus supply of it, the seller would cut the price as low as he could afford to do. The tax would be treated as an overhead charge, like freight or rent, and the merchant would put it in with his other expenses and figure out the price to be charged, adding a profit as large or small as he could make it and be able to sell the article in competition with other sellers.

"We have had for years an illustration of how smoothly the thing would work, in our tariff law operation, where the duty is sometimes paid by the consumer and sometimes not, but he is never annoyed in the transaction.

"As to the present excess profits tax, you are aware that, all along the line and wherever possible, this is now being added by the merchant and the manufacturer and the distributor to the price of the goods, and because of the uncertainty as to what the tax will come to at the end of the year the seller adds an ample sum to cover—sometimes two or three times what it actually proves to be."

DR. T. S. Adams, former chairman of the Tax Advisory Board of the United States Treasury and professor of political economy at Yale University, has been the most active opponent of the gross sales tax. In an address at the Twelfth National Tax Conference held in 1919, Professor Adams, in discussing this form of tax, said:

"A much more important and plausible project, from the revenue standpoint, is the proposal to levy a flat tax, say of one per cent, upon all turnovers or sales. There is an astonishing amount of support for this scheme. It has the merit of apparent simplicity, and the yield will run into the billions.

"The arguments against this scheme seem, however, almost unanswerable. A one per cent tax in some industries might so discourage sales as seriously to embarrass the industry. There are a few important lines in which the profit on the turnover is so small that, if the business itself were called upon to bear the tax, the results would be disastrous.

"Again, the administrative work would be colossal. There are literally millions of vendors, peddlers and petty tradesmen who should be brought under the tax, required to keep accounts in some way, to make systematic returns of their sales and of the taxes thereon. The work of supervision here would be enormous.

"These are only the minor difficulties, however. The principal defect lies in the premium that such a tax would place upon unsynthesized business. The small business, which confined itself to one branch of manufacture or sale and bought its stock from an independent business concern, would be forced to charge higher prices than the large trust, which produced or mined its raw materials, transported them in its own ships to its factories and finally sold the finished product through its own distributive agencies. And if we attempt to meet this fundamental objection by confining the tax to articles sold for 'consumption and use,' we meet an almost insoluble problem of classification. The farmer who bought an automobile would doubtless be taxed, although the automobile was used principally in his business of farming. If he bought a plow, doubtless this would be a purchase for 'consumption and use.' But if the Standard Oil Company bought a tank steamer or the United States Steel Corporation a huge crane costing, perhaps, $25,000, one must stretch the ordinary use of language to describe the transaction as a purchase or sale for 'consumption and use,' although the technical phraseology of economists would justify it. There seems no practical way of differentiating between sales for consumption and sales for other purposes. And what the aggregate effect upon the consumer of a cumulative tax on all turnovers or sales would be is hard to determine. It might be disastrous.

"I have, perhaps, overstated the case against the general sales tax. It is distinctly a proposal worth careful consideration. Such a tax is successfully enforced in the Philippine Islands. In time of war it would be thoroughly justifiable as an emergency measure. But it probably has little real chance of adoption in the next year or two, and any truth which the proposal contains can probably best be realized by adopting particular taxes upon sales on non-essentials or luxuries."

More recently Professor Adams restated his opposition to the adoption of the gross sales tax as follows:

"Three general forms of this tax may be distinguished. The most inclusive—the general turnover tax—has, I believe, no real chance of adoption. Its yield at one per cent would be enormous—if not the five billions which have been claimed for it, certainly over two billions a year at one per cent. But it can hardly be conceived that Congress



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Secretary Houston, of the Treasury Department, testifying before the Joint Agricultural Committee of the Senate and House of Representatives

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would consent to apply a tax of one per cent to every kind of sales—sales of farms and city homes; of the plant, business and assets of huge corporations and of all other capital assets. It is really funny how each class believes that every other sort of business can bear such a tax. This is well brought out in the publication that calls the sales tax 'an ideal tax.' This proposes to apply the tax to all other turnovers except those 'on the various exchanges—grain, cotton, stock, the sale of securities, municipal, corporation and others.' This exception is made by a brokerage concern. There are, of course, many reasons for exempting sales on exchanges, but there are equally good reasons for exempting many other sales.



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United States Treasury, Washington, D. C.

"If sales of capital assets are eliminated, we reach the second form, a compromise between the general turnover tax and a tax on retail sales. Such a tax would yield from $700,000,000 to $1,000,000,000 a year at a rate of one per cent, according to the exemptions authorized. It would apply particularly to the sale of goods, wares and commodities, whether for resale or not. It would have thus the cumulative or pyramiding effect frequently ascribed to all taxes on business. If there are on an average six turnovers between the first production and the final sale to the consumer, the one per cent tax would be imposed at increasing amounts six times. The tax would bear lightly on combinations or 'trusts,' which conduct under one ownership several of the operations usually carried on by independent business concerns. The manufacturer who did his own jobbing would have a real advantage over his competitors who did not."

Answering the objection of Professor Adams that the gross sales tax would be increased at every step from initial production to the final sale for consumption and use, Mr. Cornwell has computed this effect upon successive sales for the purpose of showing that the tax, even admitting Professor Adams' objection, would still be negligible from the viewpoint of the ultimate consumer. Taking the case of a loaf of bread as an illustration, Mr. Cornwell figured that the price of one bushel of wheat on leaving the farm would be, say, $2, bearing a tax of 2 cents. Upon leaving the mill, a barrel of flour containing four and one-half bushels and valued at $12 would be worth $2.67 a bushel, upon which the tax would be $.0267.

If we estimate that a barrel of flour will yield between 260 and 270 loaves of bread, this would make about sixty loaves to a bushel. If these loaves are sold at an average price of between 8 and 9 cents each, the price of the sixty would be $5.10, with a tax of $.051. The total tax would be $.0977, or approximately 10 cents on sixty loaves of bread. The cumulative effect of the tax for a pound of beef, figured by the same method, would be less than 1 cent a pound and for a pound of pork and pork products the result would be about the same.

THE advisability of the adoption of a general turnover tax was discussed at the annual convention of the National Tax Association held last September at Salt Lake City, Utah. M. D. Rothschild, of New York, read an exhaustive paper defending the tax and answering the objections that have been raised against it. The proposal attracted a good deal of favorable attention, although the association did not formally go on record as approving it. It was the opinion of the members present that the turnover tax cannot be summarily dismissed as without merit and that as a revenue measure it is entitled to careful consideration.

A serious difficulty that must be successfully solved if the gross sales tax is to be adopted is the status of a business operating at a loss. For instance, in a declining market, such as has existed for the last several months in some lines of commercial and industrial activity, the merchant or manufacturer will have to pay the tax on his turnover, regardless of the fact that at the end of the month, or other accounting period, there may be a deficit. If the merchant or manufacturer is required to pay the tax notwithstanding this deficit, it will hasten his trip to the bankruptcy courts. On the other hand, if this situation is recognized by the framers of the law, and the tax is remitted during periods of business adversity, the turnover tax will lose its original identity and will become a faculty or income tax.

From the point of view of administration there should be little, if any, difficulty in collecting the proper amount due to the Treasury Department, as compared with the present cumbersome procedure. The merchant or manufacturer could make a monthly return of his gross sales for the preceding month and send to the Collector of Internal Revenue a check for 1 per cent of this amount, representing the tax. When the field agent of the Bureau of Internal Revenue inspects the books of a concern he would have only to audit the sales account for the period under review and compare the monthly amounts and the total for the period with the monthly installments and the total amount paid to the collector.

According to preliminary statistics compiled by the Bureau of Internal Revenue, the cost of operating the bureau for the fiscal year ended on June 30, 1920, was 55 cents on the $100 collected, based on a total expenditure of $29,700,000. The cost of operation for the fiscal year of 1919 was equivalent to 53 cents for every $100 collected. Included in the expenditures for the year 1920 are items for enforcing the child labor, the narcotic and the prohibition laws, which are regulatory rather than revenue-producing measures. About $90,000 was expended for enforcing the child labor act; $467,000 for enforcing the narcotic laws, and $2,100,000 for enforcing the prohibition laws, an aggregate of $2,657,000. Deducting this amount from the total amount expended, $29,700,000, leaves $27,043,000 as the net expenditure for collecting the internal revenue taxes for the fiscal year 1920, which is equivalent to a net cost of 50 cents for each $100 of actual revenue collected.

The total turnover in the United States for the year 1919 has been estimated by economists at between 1,400 and 1,500 billions of dollars. These figures have been obtained by a method employed by Professor Irving Fisher. He estimated the circulation of money and checks and maintains that the sum of the two estimated amounts approximately represents the value of the goods bought. His figures for the year 1918 showed a total of 1,269

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Romance and Epsom Salt

By GEORGE C. FROLICH
Manager, Drug and Chemical Department, United Drug Company

A SWEET-FACED little woman with a worried look in her eyes hurried past me and disappeared within the corner drug store.

No doubt she was in trouble, and so, being of an inquiring mind, I sauntered after her. She asked for ten cents' worth of Epsom salt; her husband was ill, and she was sure it would help him.

The clerk placed a manila paper bag on the scale, turned around and took from a drawer a scoopful of the salt. Then, while spilling crystals on floor and counter, he emptied the scoop hurriedly into the bag, pouring out an extra amount after the scale-pan had descended.

He took the bag, tied it, looked for a label back of the prescription counter, evidently couldn't find it, wrote with a lead pencil directly on the bag the word "Epsom salt," and handed the bag to the customer. Crunching through the Epsom crystals scattered over the floor, he came toward me to offer his services. I wanted the same, and got it—in the same manner!

This transaction made me think—investigate—analyze—and here are my final conclusions:

The Little Old Woman—

WANTED	RECEIVED
A dose of Epsom salt, active, clean and non-irritating, of a standard recognized by the Pharmacopoeia—the government standard.	Several doses of a dried-up, dirty, impure, irritating salt, which would continue to deteriorate in the paper parcel and ultimately would be wasted, either through the breaking of the parcel or as a result of soiling by extraneous matter, or would be thrown away because of the difficulty of identification due to illegible pencil-writing.

The Druggist

WANTED	RECEIVED
A Fair Profit Increased Confidence A Good Reputation Constructive Publicity.	Actual Inventory Loss Diminished Confidence An Injured Reputation A Product Not Bearing Even His Name.

The woman received the service that has been customary for generations and she knew no other way; only when she is sold the new packed drugs, and, through one of her five senses, recognizes the better quality, will she realize how she was defrauded.

The druggist probably will continue in the same old rut, believing that he is a real benefit to his community, and would resent the suggestion that, besides being unbusinesslike, he really is a law-breaker because he is selling drugs below standard.

He bought a barrel of Epsom salt, U. S. P., weighing 350 pounds, at $4.75 per hundred. He took his jobber's word for it that the product was of U. S. P. quality; the jobber, in turn, took the word of the broker, who again trusted the manufacturer, who believed the workman who filled the barrel. That such a sequence of credulity is not justified is proved by the fact that, notwithstanding the most exacting specifications, and despite the manufacturer's knowledge that we will instantly return at his expense any salt not of U. S. P. standard, we were compelled to refuse to accept 1,900 out of 5,000 barrels in a few months this year, *because the salt did not meet the tests of the government.* Where did the 1,900 barrels go? Who knows, and who cares about the government standard? Anyway, I was not surprised to find that the Epsom salt, the sale of which I witnessed, did not measure up to the legal requirement!



"The New and the Old" in drug store merchandising

Poor little woman! Nobody safeguarded her interests nor the interests of those other women who still have faith in the efficacy of simple everyday remedies.

And what of the druggist? In the ignorance that is bliss, he still believes in his "profession" and in the sincerity of his purpose as "a careful, honest, ethical merchant!"

His Epsom salt, in the barrel and in the open drawer, is getting farther and farther away from the pharmacopoeial standard, by loss of required moisture and by accumulation of dust and dirt. His Epsom salt is costing him every day more money than he paid for a salt containing the required moisture, and, as this moisture evaporates, the salt shrinks and the cost price mounts, 10—20—yes, 25—per cent.

Then, too, his clerk weighed 20½ ounces into the bag that should have held only 16 ounces; he spilled some of the salt on the floor and the counter, and he gave the customer bag and string, and 3¾ minutes of his time. Here is the result of his transaction:

DEBIT		CREDIT	
Cost of 20½ oz. Salt	6.97 cents	Cash received	10 cents
Loss of 20% by evaporation	1.39 cents		
Overhead at 25% gross sales	2.50 cents		
	10.86 cents		10 cents

An actual loss of one cent on the sale!

You can figure the loss on the ethical side, also—the loss of the opportunity to create good will and confidence!

The incident I have described actually occurred two years ago in a corner drug store in a high-class community. Similar incidents might be cited of thousands of stores in this country every day, in relation to many home drug items!

When my chief told me that I had a new job—that of putting Epsom salt, castor oil and other prosaic household remedies into packages—it took me some time to discover any romance in my work.

But now that work fills me with the joy of a crusader, the pride of a protector of American mothers with their beliefs in simple medication. I know that I am helping to place drug store ethics on a higher plane, and that I am making it possible to the druggist to merchandise his wares profitably.

My chief's instructions were brief—a dozen words, uttered in fewer seconds. Never can I forget the first few hours alone in my office after our interview.

Opportunity had come to me, this time plainly labeled; it was "up to me" to make the most of it. I realized at once, the magnitude of the market; it took me some time to recognize the only right and sure way to meet competition: "*Quality—Absolute.*"

In that first hour I pictured a line of standard preparations and made imaginary shipments by the carload; I even decided to make the first shipment in sixty days. Then I awakened to my responsibilities to both my firm and to

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nyself, and there, all alone in the ıffice, I raised my right hand and olemnly vowed that under all condiions I would avoid hasty judgments, ınd that my own personality should ıot be allowed to dominate the work.

There should be a carefully tested eason for every step, for every motion. From that moment I began to build a ›usiness. In the first twelve months of ts existence that business has reached he sum of one million dollars without ı word of "consumer advertising"; a ›usiness that is hailed by hundreds of lealers as "the best thing that has ıappened to the retail druggist," vhile the public, by the thousands, are lemanding "the drugs in the blue ›ackage" or "the liquids in the bottle vith the blue seal!"

For over thirty years my work had ›een in the drug business—with a ollege graduation for the theoretical ide and retail experience for the prac-ical side—and fifteen of those thirty ears were spent as a traveling sales-nan, calling on retail druggists, doc-ors, hospitals, dentists and veteri-narians here and abroad. Another five ears as a publicity and advertising nan widened my experience and gave me the courage to undertake the appraisal of other minds, and from them to select the most practical.

My tentative program read as follows:

First—Quality

Our products must never fall short of the legal requirements, and any improvements likely to prove of value to the public must be adopted. I found that, in some instances, so high a theoretical standard could be established that its adoption would be commercially impossible, because of prohibitive cost; and that a more sane level must be sought. Our slogan from the beginning has been "Better than any now on the market."

Second—Price

In no case must the retail price of our products be a burden to the public. I firmly believed that even the poorest families would willingly pay as much as 1 cent for a dose of an ordinary home remedy, provided that remedy were efficacious and sold in "a cleaner way" and with a money-back guarantee. As a matter of fact, the average cost of an adult dose of these drugs under our label is less than 1 cent!

Third—Package

The products must be merchandised in such a way that each drug would retain its strength until it reached the consumer; and that after a dose had been taken the contents of the container could be protected from contamination by means of a properly constructed container. The name of each drug should be correct and legal—should be at all times legibly printed. It should be an easy package for the retailer to sell, because of the following factors: display strength; color scheme; guarantee; descriptions and directions for use; quantity offered, and finally, the low price.

Fourth—Name

It was of paramount importance to give the new line an identifying name in order to create repeat business, to increase the selling value of other products of the same family, and to confine the benefits of trade-mark prestige to our own agents and retail stores. This name should be easy to read, remember, and repeat—it should create confidence, it should suggest purity and quality, and it should be all our own.

The first package was sold nine months from the beginning of our preliminary investigations, and the expenses entailed by experiments and production were entirely absorbed in the costs of subsequent transactions.

Here is a synopsis of our production program:

QUALITY

When we came to establish connections for merchandise we were astonished at the inability, and in some cases the unwillingness, of manufacturers or importers to supply materials of our specified standards, or in adequate quantities. As illustrating the difficulties by which we were confronted and the work involved in overcoming those difficulties, I will here cite our experiences with Epsom salt:

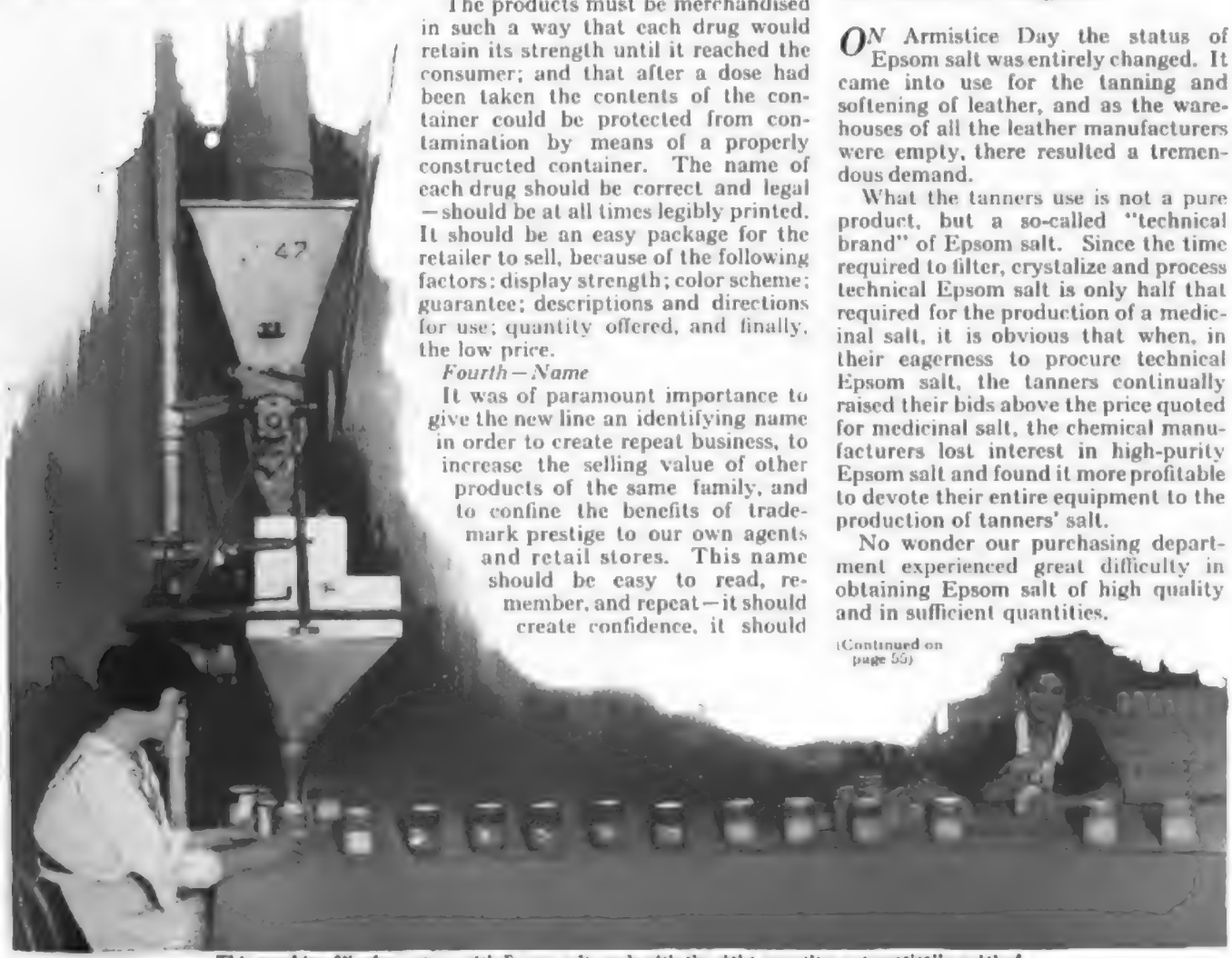
Before the war Epsom salt was a by-product in the manufacture of certain gases; it was sold by the manufacturers at an actual loss. During the war it became a profitable main product, owing, on the one hand, to the demands of the Army, Navy and Red Cross; on the other, to the falling off of the demand for the gases.

ON Armistice Day the status of Epsom salt was entirely changed. It came into use for the tanning and softening of leather, and as the warehouses of all the leather manufacturers were empty, there resulted a tremendous demand.

What the tanners use is not a pure product, but a so-called "technical brand" of Epsom salt. Since the time required to filter, crystalize and process technical Epsom salt is only half that required for the production of a medicinal salt, it is obvious that when, in their eagerness to procure technical Epsom salt, the tanners continually raised their bids above the price quoted for medicinal salt, the chemical manufacturers lost interest in high-purity Epsom salt and found it more profitable to devote their entire equipment to the production of tanners' salt.

No wonder our purchasing department experienced great difficulty in obtaining Epsom salt of high quality and in sufficient quantities.

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This machine fills the cartons with Epsom salt, each with the right quantity, automatically weighed

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More Power to the Salesgirl

How the Pittsburgh Department Stores and the Research Bureau of Carnegie Institute Are Dignifying Work Behind the Counter

By LEONARD H. ALLEN

OF ALL the possible grammatical errors that the average salesgirl in a Pittsburgh department store can commit, the one she commits most frequently is the misuse of the word "was." She is prone to say "you was" and "we was." Next to misusing "was," she is most likely to abuse that persecuted word "don't." She says "she don't" and "it don't." Next to misplacing "don't," in its place a perfectly respectable word, her favorite solecism is the double negative. "I'm sorry," she tells the customer sweetly, "but we haven't none of that in stock right now."

All right, what of it? What do the grammatical errors of a Pittsburgh salesgirl have to do with merchandising? Suppose she does murder the resilient, nine-lived English language, what's to be done about it? Anyway, as long as she sells, who cares what she says?

The Carnegie Institute of Technology cares. Through its Research Bureau for Retail Training, the institute has an interest in the grammar of the retail salesgirl. It has an interest, too, in her arithmetic and in her spelling and handwriting and her ability to read intelligently, in her sense of perception, her tact and her manners, in her opinion of her job and her outlook upon life in general—in short, in herself. This interest of the Carnegie Institute of Technology, moreover, is no mere academic interest.

The institute, through its Research Bureau for Retail Training, is striving to make the salesgirl a better salesgirl. The method by which the bureau seeks to attain that end is written into the name itself, the Research Bureau for Retail Training. First of all, the bureau is an agency, an instrument for research. It is studying first, not what the salesgirl ought to be, but what she is. Hence its interest in her grammar and her reading and writing and arithmetic and what she thinks about things in general. Next, it is studying what the salesgirl could be, and upon the basis of the knowledge of what she is, and what she lacks, is ascertaining how she should be trained. Finally, upon the basis of that composite knowledge the bureau is undertaking her training.

But there are thousands of salesgirls. Their education in merchandising, provided that all of them could be induced to go to school to learn the selling of merchandise, would tax the educational capacities of all the schools in the land. Hence the bureau has undertaken, not to train the salesgirls themselves, but to train teachers who will go into the stores and train the girls.

The salesgirl isn't the whole store. Besides her there are department heads and buyers and personnel and employment managers and general executives. Many of them need training, too. They need the advantages of scientific thought for the solution of their problems. The bureau has undertaken to supply their needs.

Constitutionally, the retail bureau is a department of the institute's Division of Applied Psychology, of which Walter Van Dyke Bingham, Ph. D., is the director. The executive head of the bureau is Werrett W. Charters, Ph. D., formerly dean of the College of Education of the University of Illinois. James B. Miner, Ph. D., is the bureau's executive secretary.

Historically, the bureau is a few months more than two years old. It was established in May, 1918, by the co-operation of seven Pittsburgh department stores—Boggs & Buhl, Frank & Seder, the Lewin-Neiman Company, the Kaufman Department Stores, Inc., the Joseph Horne Company, the Meyer Jonasson Company and the Rosenbaum Company—with Carnegie Institute and the Pittsburgh public schools. Each of the seven stores pledged $32,000 a year to support the bureau for five years.

THE bureau describes its own aims and purposes as follows:

1. To provide a limited group of able people with technical training for leadership in the employment and the educational departments of general stores.
2. To train teachers for high school courses in retailing.
3. To conduct research bearing on the human factor in stores; the selection, placement and individual development of employees.
4. To co-operate with the public schools in arranging part-time courses that combine schooling with experience in stores.

The teaching course is nine months long, consisting of three terms of three months each. As prospective students two classes of applicants are considered: persons who have obtained a bachelor's degree in a college or university and a limited number of others who have reached maturity and have had business experience that promises success in executive positions. Classes are limited in size; this year's maximum is fifteen students. The tution fee is $125.

To qualify for entrance in the school the applicant must satisfy the bureau staff as to his personal qualifications for administrative work and must pass a standardized test of intelligence. In addition he must have had at least two months' experience in a store, and the nature of this experience must have been such that he has assured himself of his fundamental interest in retailing. Some students come without this experience and meet the qualification by working for two months in one of the co-operating stores in Pittsburgh; others take this preliminary experience in their home cities. The experience so taken, whether in Pittsburgh or elsewhere, is directed experience; the bureau instructs the prospective student to investigate certain phases of store management, personnel work, sales education and the like. Upon the completion of his experience the enrolling student submits a report of his investigation. The benefit of this plan is two-fold: the student gets practice in research work in a field he is later to study, and the bureau is enriched by the addition of material to its fund of data on retailing.

The bureau's own official bulletin thus describes the general character of the training course:

"The course is of graduate character in purpose, plan and classroom method. It trains a few superior students for constructive work in the stores and schools. The development of ability to make new contributions to training or employment is emphasized. The students are in constant contact with practical situations in the business houses. They meet and deal with executives and employees under actual conditions.

"During the winter quarter groups of students, under the supervision of the staff, work out joint studies for the use of training or employment departments in the stores. During the spring quarter each student is given the responsibility of planning and, as far as possible, working out an improvement in personnel work in a store as a final test of his ability to undertake an

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administrative position or assistantship."

This "constant contact with practical situations in the business houses" is a part of the course. During the first term every student works alternately one week in school and one week in one of the Pittsburgh stores cooperating with the bureau. His status, so far as the store is concerned, is simply that of an ordinary employee. But all the time he is studying, watching the wheels go 'round and linking up his observations with his studies in the classroom.

During the first term his classroom studies include these subjects: department store organization, store training curriculums, technique of selling, selection of employees, the psychology of store personnel, and elementary statistics.

In the second quarter the student's work in the stores is broadened to include the close-up study—and, if possible, the solution—of specific store problems. He may attack, for instance, the adjustment department and try to straighten out its kinks; or he may direct his attention to the personnel department and work out recommendations for its betterment. His classroom studies during this quarter will include: supervision and methods of teaching, merchandise information for salespeople, department store system, the placement of employees, the psychology of store personnel, mental test technique, research work, and the discoveries of the retail bureau seminar, which consist of data collected for the most part by the bureau staff on some of the broader phases of merchandising.

The first six weeks of the third term, are spent in school, with these studies: administration of store training departments, department surveys, improvement of service, employment placement, and the data of the bureau seminar. In addition there are two elective studies, the psychology of store personnel and advanced statistics. Next come five solid weeks spent in the stores. The final week of the term and of the course is a general round-up at school and a review of classroom studies and research results. The graduates, each of them now entitled to the designation "Certified Retailer" or "Master of Arts in Retailing," depending upon his attainments, then go out to take jobs in the educational, employment or research departments of stores. "The bureau," says its official bulletin, "places its graduates in positions paying the first year from $1,500 to $2,000."

Meanwhile the Pittsburgh schools have introduced merchandising into their curriculum of training. A course for juniors and seniors in the high schools, with classes in five different



"I'm sorry," she tells the customer sweetly, "but we haven't none of that in stock right now"

schools, have maintained an enrollment of 150 pupils. The supervisor of these classes is a graduate of the bureau's training school. Some "missionary" work toward awakening interest in the retail field as a vocation for high school graduates has been accomplished by taking groups of teachers on conducted tours through the co-operating stores.

"To me," said Dr. Charters, the bureau chief, "the most interesting phase of all the bureau's activities is its research work. In reality, you see, we are interested not so much in the problems of store management as we are in the technique of discovering those problems and the procedure of arriving at a solution.

"The first step is observation—observation of the method that is 'going wrong' and the collection of data on conditions. The next step is the definition of the problem, so that we may know exactly with what we are dealing. Next we work out a solution. And, as conditions now exist, there is a fourth step: we must install the solution and, in some cases, maintain it."

For instance, as Dr. Charters explained, there was the matter of the salesgirl's grammar. Now grammar isn't one of the major considerations of business. In business practice there are many things to be considered before mere correctness of speech. But in a store that in all other outward respects is well managed and skilfully conducted bad grammar on the part of the people behind the counters is too apparent. Anyway, the bureau reasoned, since bad grammar can be eliminated to a worth-while extent, why not eliminate it? But how?

The bureau went back to the source, to the salesgirl, and studied her. With the aid of store executives and its own students at work in the stores, the bureau collected 2,000 specimens of grammatical error committed by salespeople. To give this data a substantial background the bureau then asked the teachers in the city schools to collect a few grammatical errors committed by public school pupils—and thus got 25,000 more. All the errors were then tabulated and ranked in the order of their prevalence. Thus it was established that the misuse of "was" led the list and that "don't" came next, and so on.

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Sales and Costs at a Glance

If the H. G. Chaffee Company Isn't Getting Maximum Results at a Minimum Expense the "Boss" Learns it at Once from His Charts

By ROBERT M. McCABE

IT IS GENERALLY agreed that the manager of a big business must know what comes in and what goes out, but often the manager is too busy with more important affairs to study every figure that in the usual course of things would come to his attention.

He must know the story of every day's business as it is related by figures, though he may not have the time to scrutinize each individual figure. Hence the typical executive—the time-saving manager of a big enterprise—gets the story in tabloid form; in the form of a chart.

Consider, for example, the H. G. Chaffee Company, which operates a chain of sixty-three grocery stores in Los Angeles, Pasadena, Riverside, San Bernardino and other towns within a radius of seventy-five miles of Los Angeles. The man who manages this business is F. E. Chaffee, a graduate of the Harvard School of Business Administration and a man still on the sunny side of thirty-five. During the war he was engaged in research work for the Bureau of Markets of the United States Department of Agriculture. In this capacity he found an opportunity to learn most of what other men had learned about running grocery stores, and his stores today reflect his application of the training he received at Harvard plus the knowledge he gained while picking up statistics for the government.

From his charts Mr. Chaffee can tell at a glance just what sort of business each of his sixty-three stores is doing; which stores require attention; which stores need attention as soon as he can get to them, and which stores are doing fairly well and can be expected to get along all right for a while without attention. Of course, he has all the detailed figures at hand, but he finds it easier and simpler to have the figures embodied in charts by some one whose time is less valuable than his own, and be guided himself by the charts.

A chain store business is conducted along lines of comparison; the income and outgo of one store are compared with the income and outgo of other stores in the chain to furnish a basis by which to judge the progress of each store. That is the way charts are used in the H. G. Chaffee Company—to furnish the basis of comparison. Each chart usually represents a group of four stores—stores that do approximately the same amount of business. In the making of these charts the factors of location and management are ignored; the sole guiding factor is that of volume.

CHART No. 1, reproduced with this article, shows how Stores 1, 2, 3 and 4 compare with one another. In 1919 these four stores were doing about the same amount of business. The chart starts them off on their new year on February 28. It reveals that Store No. 1 started off magnificently and kept its lead all the way through the year up to September. The record of No. 1 for that period entitles it to recognition as the "Best Store," and the methods used in that store to get and keep business are recognized as the methods that can be best used to get and keep business for the other stores.

But while Store No. 1 started to climb, the chart that reached Mr. Chaffee's desk a few days after the beginning of the new year showed that Store No. 2 needed the immediate services of a doctor. Apparently an effective remedy was applied, for in the second week the line representing Store No. 2 took a sudden trend upward. In the third week No. 2 started on the down grade again, but before the slump became serious the business doctor was again called in and business promptly rallied.

Store No. 3 started to misbehave early in the month, but a remedy was prescribed, and in a short time No. 3 was making the up-grade. The business of No. 4 rose and fell during the first two weeks almost on a parallel with that of No. 1, but No. 4 reacted more quickly to treatment than did No. 1.

To the management it is obvious that if business is good in Store No. 1 it should be good in No. 4 or in No. 50. So far as general business conditions are concerned all the stores have the same chance to do business and make gains. The Chaffee stores are all situated in the same territory, so if business is good in one it should be good in all. They are not expected to sell the same volume, but all are expected to make approximately the same weekly comparative showing.

As a usual thing, the upward and downward movements of the line for one store closely parallel those for the other stores. If one store is suffering more of a slump than the others, the condition is revealed by the chart and the management does whatever may be necessary to bring the invalid back to normal.

In June, the chart shows, each of the stores declined somewhat. To the management there was some good reason for a condition that was reflected by all the stores alike, so no one worried about it. In July, business picked up in each store and past records indicated that that, too, was to be expected. These same charts will be used in 1921 as checks against the business of 1920, and the business will be conducted on the theory that if business was exceptionally good in July, 1920, it should be exceptionally good in July, 1921. The records are there, in black and white, and steps will be taken far enough in advance to insure that the business will be what it ought to be. All of the other stores in the Chaffee chain are grouped like those on Chart No. 1. The same policy is applied to each of them, and the same good results generally result from the application.

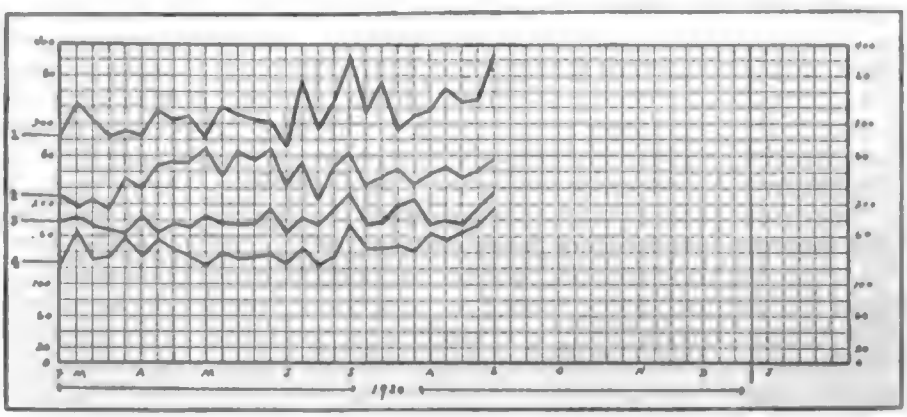


Chart No. 1, recording the sales of four stores

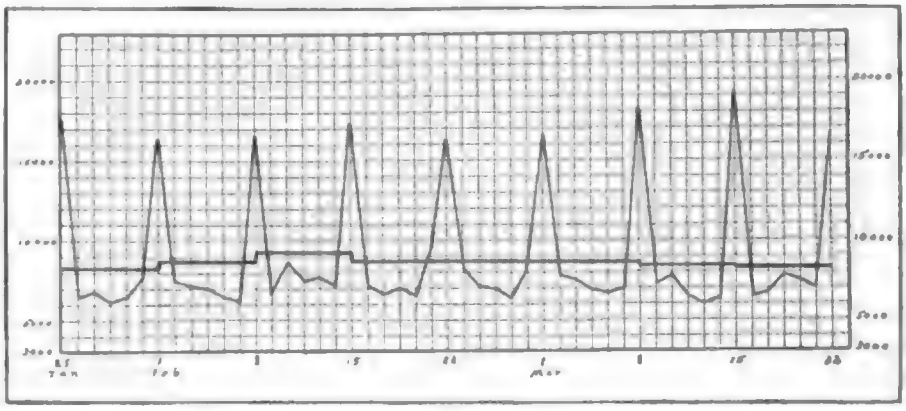
Chart No. 2 records the daily sales of the entire group of sixty-three stores. (The figures, of course, are fictitious.) This chart is valuable chiefly because it furnishes a

basis for comparing the business of the entire chain at any date with that at the same date of the preceding year.

The cities of Southern California, like most cities, do their biggest business on Saturday. This fact explains the peaks on the chart. If the Chaffee stores did a business of $19,000 on a given Saturday in May, 1920, isn't it logical to suppose that they will sell at least the same volume on the corresponding Saturday in May, 1921? The horizontal line on the chart reflects the average daily sales for the week.

Mr. Chaffee must get a lot of satisfaction out of Chart No. 3, which records the growth of Store No. 1. Each store, of course, has its individual chart, but No. 1 possibly is the "pet" store, the good example for the other stores. It also affords an interesting picture for the board of directors, and when No. 1 and sixty-two others almost as good go into the monthly meetings of the board Mr. Chaffee's charts get their full share of applause.

In January, 1917, Store No. 1 started out to make a showing, and it kept right on, regardless of war, high prices and the scarcity of sugar. It had its ups and downs, as the chart shows, but the general trend was upward, though 1918 was a difficult year. January, 1919, opened up brightly and from that time on this store easily made the grade.



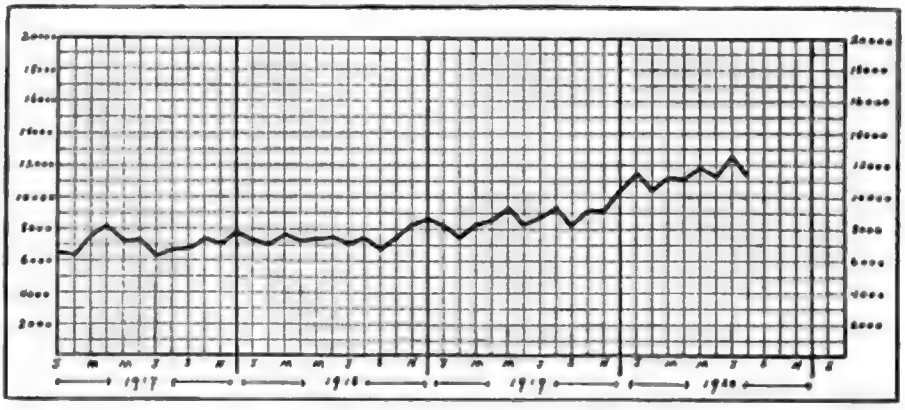


Chart No. 2, above, records the fluctuations in daily sales of the entire group of sixty-three stores. Chart No. 3, below, records the progress of Store No. 1 over a period of four years

With such a chart before him, the manager of each Chaffee store knows just what target he has to shoot at. If business was good in January, 1919, there must be a bigger business in January, 1920, and a still bigger business in January, 1921. The record is written in bold, black lines and every member of the organization does his utmost to keep those lines on the upward trend.

The vital information that these charts portray is contained in the figures of each store's daily, weekly and monthly sales—and there are a lot of figures when each of sixty-three busy stores contributes its quota. That is just the reason for the charts. The manager of a business that approximates ten millions of dollars a year keeps fairly busy without delving into details. If he can evolve a chart system and thus get the vital information without the detail he has something that will be of great help to him in conducting his business.

That, at least, is Mr. Chaffee's opinion. His charts show him what each unit of his organization is doing, both individually and in comparison with the other units, and he has the information constantly before him.

The doctors that minister to the Chaffee stores are the company's district managers, who are supplied with the information that comes to the management. The chart shows that a certain store is "sick." The doctor visits that store, diagnoses the case and prescribes better arrangements, better window displays, more intensive advertising, or whatever the patient needs.

If the store fails to respond to this treatment Mr. Chaffee himself visits the store and doctors it along the lines suggested by his experience.

Confidential reports on each store are submitted to the management from time to time by an inspector who is known only to the management. Sometimes the report suggests the cause of some condition revealed on the charts. The reports comprehend every possible angle of storekeeping—window trimming, stockkeeping, cleanliness of the store's interior, exterior and sidewalk in front, courtesy of the employees—everything, in fact, that could in any way affect a business. It is no coincidence that the stores that earn the best records in the confidential reports usually are the same ones that make the best showings on the charts.

There is another reason, however, for the success of the H. G. Chaffee Company. It is a success not only because it does a large volume of business, but because the management appreciates the importance of keeping a close check on expenses. Mr. Chaffee has evolved a chart that covers every possible angle of expense, and when he knows just what creates expenses he knows how to control them.

Government statistics prove that in the past the grocery business has been a hard one in which to make money. Most grocers have had an uphill pull, and many of them have failed. In the grocery business profits necessarily are small. Since competition controls the selling price, and consequently the gross profits that may be earned, the solution lies chiefly in the ability of the management to keep down expenses.

The expense chart reproduced with this article shows the expense for ten of the stores in the H. G. Chaffee Company's chain. The record of these ten stores may be accepted as furnishing a standard for the remaining fifty-three, since they are operated at virtually the same expense.

The reader may observe that five of the ten stores represented on this summary—No. 2, No. 5, No. 8, No. 9 and No. 10—did business in the month of August at a total overhead of less than 12 per cent. These stores are not the biggest volume stores in the chain, either; they did business on this low overhead because their expenses were very carefully checked and controlled.

Store No. 1, which does the most business of any, rolled up a total overhead of 13.49 per cent, proving that volume alone will not always keep down the percentage of expense. This store, however, is situated in a high-class neighborhood and caters to a trade that demands finer fixtures, better service and other of the incidental factors that combine to pile up expense.

Store No. 3, which had the largest overhead of any, evidently did not watch its expenses in August as carefully as other stores in the group; the

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expense of wrapping alone totaled 1.02 per cent. Wages, too, evidently were higher in that community, as the wage expense was 7.93 per cent, almost 1 per cent higher than the 7 per cent mark that the company tries to maintain.

In developing this method of checking expenses the management tries to list each item separately, so that if a weak spot develops it quickly becomes apparent. The first column shows the total cost of doing business for the monthly period at each store. The second column, "Administration," shows the percentage each store is assessed for the maintenance of the general offices, warehouses, buyers' salaries and other administrative expenses.

In the third column each store is charged interest on the investment in stock and fixtures. The fourth column, "Wages," explains itself.

In the fifth column each store is charged its share of the company's general advertising. The company uses collective advertisements; that is, each advertisement quotes prices that prevail in all of the stores. The individual store itself does very little advertising, which explains why this charge is virtually a fixed charge.

STORES — Month August 1920

MONTHLY EXPENSE SUMMARY

	Total	Adm	Int	Wages	Adv	Rent	H L & P	Rep Dep	Ins Tax	Ice	Sun	Wrp
1	13.49	2.85	.44	6.48	.80	1.15	.07	.22	.14	.13	.89	.32
2	10.82	2.93	.38	4.90	.80	.63	.07	.24	.14	.07	.27	.39
3	14.73	2.93	.49	7.93	.81	.75	.07	.24	.16	.11	.22	1.02
4	12.03	2.93	.35	6.66	.83	–	–	.26	.14	.06	.22	.58
5	11.06	2.93	.35	5.29	.81	.45	.07	.20	.13	.05	.20	.58
6	12.86	2.93	.55	6.03	.82	.74	.15	.24	.22	.18	.13	.87
7	12.10	2.93	.35	6.10	.81	.50	.11	.22	.12	.05	.22	.69
8	11.91	2.93	.37	6.15	.81	.53	.09	.21	.14	.04	.14	.50
9	11.61	2.93	.27	5.19	.82	.51	.17	.74	.29	.16	.35	.18
10	11.32	2.93	.36	5.37	.82	.37	.15	.30	.16	.21	.26	.39

This is the summary that reveals the leaks in the profits

The sixth column is interesting chiefly because it shows what a small part of the total expense is paid for rent. This is explained by the volume of sales, which in turn is explained in part by the company's methods of selecting locations. Before the company decides to open a new store one of its representatives carefully checks the locality under consideration, both as to advantages and disadvantages. Not until the company is convinced that that locality needs a store does it open one. The percentage that goes out for rent is governed by the volume of business, and the management takes every precaution to insure this volume before it opens a new store.

Ice, charged in column 10, is an expense that too many stores ignore. The chart shows that in the Chaffee stores ice is no small expense, and the company finds it well worth while to segregate "ice" from "general."

The "Sundry" column, column 11, provides for those incidentals that can find a home nowhere else in the bookkeeping system—little charges like laundry, telephone and new light globes.

"Wrapping" is an expense that too often is included with general expenses, yet the Chaffee summary proves that wrapping can become a source of considerable expense. In the Chaffee stores the wrapping expense is carefully checked, for otherwise it might easily develop into a big leak.

Most of the stores are neighborhood stores, selling a great variety of small packages. To reduce the waste of paper, bags and twine, the company adopted the plan of packing and wrapping all bulk goods, such as sugar, coffee and rice, in its main storehouse. So far as possible, goods are delivered to the different stores all wrapped and packed, ready for delivery to customers.

Kodaks, Knox Hats—and Welch's

By EDWARD P. HARRISON

IN THE HEART of the Chautauqua grape belt that borders Lake Erie is a village of about three thousand inhabitants, whose wants are amply provided for by some twenty-five retail stores.

In this village are the general offices and one of the large plants of a national advertiser, and this is the story of how his advertising department obtained the local dealers' co-operation as an aid to the success of his sales conference.

When the sales manager began laying plans for bringing in eighty salesmen from all parts of the United States and Canada he realized that he must enlist the aid of the local retailers if the village was to seem at all appreciative of the presence of his conference.

He finally decided to ask each retailer to feature the nationally advertised lines that he regularly carried. The following is a typical example of the letters sent to the retailers:

"From November 5 to 9, inclusive, between eighty and one hundred 'Welchmen' from all parts of the country will gather in Westfield for the first general sales conference since 1916, so naturally we are doing all we can to pack those few days with all possible business helps.

"You might wish to take advantage of this period to feature such nationally advertised lines as Kuppenheimer suits, Arrow collars and Knox hats. It would be quite easy to devise some means to link these splendid nationally advertised lines up with Welch's, the National Drink.

"Such a number of men coming in will undoubtedly make some difference—new collars, handkerchiefs and other such articles. We are sure that any co-operation you can give will prove mutually beneficial. The writer will call on you in a few days to know if he can be of any service."

A week passed before the author of the letters was able to make the round of the stores in person. So well had the letter put the message across, however, that several retailers stopped him on the street, offered their co-operation and asked for some of the company's display material. When the dealers were canvassed in person, all agreed to co-operate, though most of them wanted the advertiser to work out the details.

Main street was astir for days before the salesmen were due to arrive. Scarcely had they arrived and become established in their various hotels when each one received a carefully typed letter from the Carnahan-Shearer Company, local clothiers. It employed the salesmen's trade talk and

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chatted familiarly of their sales manager in a way they liked.

"When," said the letter, "our local celebrity, A. E. P., presides over each session of your sales conference he'll surely want to see everyone with 'smiling morning faces.'

"And what better way to create the smile that won't come off and the well-dressed look than by letting us take care of shining your shoes and pressing your clothes?

"There may be other needs, too, Mr. Traveler; possibly there is a solution in these lines which we carry—Arrow, Monito, Knox and Kuppenheimer—they are as standard in their separate spheres as is Welch's T. N. T. in the soft drink field.

"Come in and let us do the selling a while and you'll know how happy a buyer can feel."

The letter closed with a pleasant "Yours clothingly," and the firm's signature.

Afterwards the clothiers said the letter had paid well. Two of the salesmen went dashing into a competing store, each with a suit on his arm and a letter in his hand. They quickly discovered that they were in the wrong store and took their clothes to be pressed by the store that had sent the letter.

This company sold quite a number of Arrow shirts and handkerchiefs, Monito socks and Knox hats. The other clothier had good trade, too, attracted by his window displays of Hart, Schaffner & Marx clothes and Lion collars.

The only feature that all the stores displayed alike was a card that read: "Welcome, Welchmen—We Sell Nationally Advertised Goods, Too."

As the manufacturing company's general offices are at one end of Main street and the conference hall at the other, the salesmen had to walk the full length of the street each morning. They all commented on the way the stores were cashing in on national advertising, and even the local people displayed new interest in lines that the stores had always carried.

Thomas, the jeweler, had a handsome display of Ingersoll watches; he had wired the watch house for special cutouts. One window of the hardware store displayed Winchester rifles in front of three of those now famous Winchester panels, while in the other window was a Glenwood range and a number of Perfection heaters. The Rexall Store had a fine showing of Klenzo tooth paste and in a second window a display of Kodaks, with photographs of vineyards and grapes—especially interesting to grape-juice salesmen.

Herb Rickenbrode, a little farther up the street, has a very small window, but he put his story over with a smash. In his window was one Edison phonograph and near it a copy of *Good Housekeeping*. The magazine lay open at a page containing an Edison advertisement, and beside it lay a Welch advertisement cut from another part of the magazine. The window of the electrical household appliance store was simple but effective—two table lamps, Mazda-lighted, surrounded by Welch advertising material.

The grocery stores, of course, could legitimately show Welch products and they did it, too, although they also featured such products as Crisco, Mazola and Karo. One drug store had a marble-top table in the window, with glasses of grape-juice soda and Grapelade sundaes, while the two other druggists featured bottles of Welch's Grape Juice.

And so, for the full length of Main street, Valspar, Eversharp, Spaulding, Buster Brown, Crisco, Kuppenheimer and many another co-operated with Welch's to put over the fact that nationally advertised goods are good goods.

Rustic Store Windows



SMASH! A misguided automobile thrust half its length through one of the display windows of the store of Haggart & Gawthrop, men's furnishings, on Santa Fe avenue in Salina, Kansas.

The result was consummate destruction. Three plate glass windows were shattered. One of these was large, 108 by 120 inches. It opened upon the little arcade-like entrance into the store. The two others were smaller panes, each of which stood at right angles to the larger glass.

In all of Salina there wasn't another available pane of glass the size of the largest sheet. To have one made to order would have meant weeks of delay.

An idea occurred to E. C. Haggart, senior member of the firm. He had seen a window somewhere something like the one he had in mind. He called in a carpenter and on the back of an envelope he sketched the plan.

The carpenter said, "I gotcha," and went to work. He finished the job in two days. In the center of the largest open space—the main window—he set a pane of plate glass, smaller than the original sheet had been. The space around the glass he boarded shut; then he shingled the boards, next he tacked a baby portico over the glass and stained his handiwork a willow green. Then he treated the two smaller openings the same way.

The partners surveyed the job.

"She looks good, Ted," said Mr. Gawthrop.

"She does, at that, Cy," replied his partner, "let's leave her just that way."

And leave her they did—and advertised her. In the Haggart & Gawthrop newspaper space appeared the announcement of a contest; ten dollars was to be paid to the person suggesting the best name for the new window. Replies came in by the peck—some of them from contestants living 150 miles from Salina. "Magnet Window" was selected by three disinterested judges as the winning name.

Today the Magnet Window is the feature spot of the Haggart & Gawthrop store. Special merchandise is displayed in it and its name frequently is mentioned in the Haggart & Gawthrop advertising.

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Wash and Let Wash

By JOHN L. MEYER

A *DAPPER LITTLE MAN* leaped to the stage of the Milwaukee Auditorium amidst the terrific hammering and banging just before the Annual Food and Household Exposition was thrown open to the public in October and yelled at the top of his voice, "*Don't do that!*"

"That" involves a story which began with the day when Eve discarded her fig leaf and began to wear regular clothes. Skipping lightly over the intervening ages, we arrive at the time—right now—when the public laundry business has been through a siege of soft-collar and shirt styles and self-washing soaps, and faces a tremendous development in power washing machines for the household.

The dapper little man was W. C. Durnin, president of the Cream City Laundry Company, of Milwaukee, and "that" was a sign that surmounted an exhibit of the Milwaukee Laundry Owners' Club:

"*Save the Dangers of Household Appliances—Send It to the Laundry.*"

When the people of Milwaukee finally began to crowd through the turnstiles at the Auditorium the sign read as follows:

"*Save the Work and Worry of Washday—Send It to the Laundry.*"

The exhibit at the Milwaukee household show was one feature in a campaign which the laundry men started early in 1920 and which they purpose to continue indefinitely, with a view to repairing the inroads made in their business by the household appliance industries and other factors. The basis of this campaign is well illustrated by the sign over the exhibit at the household show. The previous attitude of the laundry men is illustrated by the wording of the sign as it first appeared.

"I thought that was the thing to say," muttered the sign man, as he pointed to an adjoining hall, where mechanics were setting up an exhibit of household washing machines.

The sign man's blunder after all, is not so very remarkable; the Milwaukee laundry operators themselves would have attacked the problem not long ago in just the same way, and in the same way it is still being attacked by laundry men in other cities.

The problems confronting the trade were frankly discussed by the Milwaukee laundry owners at a meeting last January. On top of the soft-collar campaign had come the household power washing machine. The laundry men decided that if they were to hold their businesses and prevent ruinous decreases in volume they must do something, and do it quickly.



A specimen of co-operative advertising

The first and most insistent proposal was to "cut loose" at the washing machine with an offensive that would reveal every possible or seeming point of disadvantage. "Kill 'em dead," said one laundry owner.

Then the advertising matter of the power washing machines was accumulated and analyzed. Nowhere in the mass of material could the laundry men find a single note of direct attack on the public laundry! True, some retailers of these machines attacked the laundries in circulars and folders, and some of the salesmen were found to be making this kind of an attack in their selling talks. The laundry men, however, awakened quite promptly to the fact that negative advertising would be neither fair, proper or effective. They decided that the way to push the laundry business was to push the laundry business.

Before many months had passed the laundry owners were generally agreed as to the wisdom of the policy of keeping their copy clean—of restraining the natural desire to attempt to belittle the household power machine and of emphasizing, instead, the advantages which the housewife may derive by sending her work to the laundry and ridding herself of the problem entirely.

For approximately $1,000 the laundry owners last year ran a co-operative advertisement in the Milwaukee newspapers every four weeks. Individual laundry owners have supplemented this advertising with personally conducted campaigns of their own. Going a step further, they have taken their drivers into conferences and have taught them the advantages of the positive kind of advertising, as compared with the negative.

The exhibit at the household exposition was a reproduction of a model laundry to show how shirts, collars and women's clothing are laundered. It occupied a space on the large stage of the Auditorium, so that visitors could walk around the exhibit and study each machine and operation. The equipment included a shirt-ironing unit, conveyor dryroom, extractor of moisture, collar and cuff ironer, dip bowl, collar starcher, collar-shaping table, ironing board and pressing machine.

Several recent meetings of the Laundry Club of Milwaukee have been attended by laundry men from other cities, notably Chicago, St. Paul, and Minneapolis, eager for detailed information as to the way the Milwaukee laundry men are conducting their campaign and the results they are getting. In every instance the Milwaukee men take pains to explain that the proper keynote for a campaign of this kind is the positive appeal—the appeal in which the advertiser glorifies his own business instead of knocking the other fellow's.

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Hurry-up Letters

Rush work, hurry-up letters, a big day's dictation—the Royal meets every condition and meets it right.

The "Royal" is built to stand up under the most severe pressure. The quantity of work thrust upon it in no way affects the quality. Every letter is clean-cut, uniform; sustained effort is made much easier for the operator.

In speed of action, results accomplished, durability and beauty of design, the Royal Typewriter is the world's standard.

ROYAL TYPEWRITER COMPANY, Inc.
Royal Typewriter Building, 364-366 Broadway, N. Y.
Branches and Agencies the World Over

ROYAL
TYPEWRITERS

What Is Labor Turnover?

By GEORGE W. GRAY

HOW DO YOU FIGURE this labor turnover?" asked my merchant friend Smiley, as I waited in the office of his Fifth avenue shop for his approval of an advertisement. He scribbled a hasty O. K. on the copy, and handed it back, but his puzzled face showed that he was thinking of something other than advertising.

"Labor turnover?" I replied vaguely. "Oh, it's a simple matter of matching hirings against firings, isn't it? Determine the ratio between the number of employees leaving during the year and the number hired, and you arrive at your percentage of labor turnover."

"Is it as easy as that?" asked Smiley. "Take my case, for example. During this last year I took on fifty new men in this store. During the year I had to get rid of thirty-five men—they were simply no good, loafers, no ambition, no sense of honor; wouldn't do at all. Two of my best men died and three quit to go elsewhere. That makes a total of forty leaving, whereas fifty were hired. If the fifty hired are the hundred per cent from which we start, I calculate the forty lost as eighty per cent. Is that right? Is my labor turnover eighty per cent?"

I was about to nod acquiesence with this method of computation when Lawson, who was with me, interrupted. Lawson is a young efficiency man—a junior on the staff of a firm of management engineers, he calls himself—so what he says on such matters carries at least a grain of authority.

"I beg your pardon," said Lawson, "but I don't figure labor turnover that way. And, in fact, Mr. Smiley hasn't stated all the figures necessary to arrive at a proper percentage. Labor turnover is not the proportion of hirings to firings, but the proportion of men hired to the average number of employees for the period. May I ask, Mr. Smiley, how many men you had on your payroll at the beginning of the year?"

"Five," answered Smiley, "not counting myself."

"And how many did you have at the close of the year?"

"Fifteen."

"Your average payroll for the year was then ten. You hired fifty. Your labor turnover is the proportion of fifty to ten, or five hundred per cent, Mr. Smiley."

"Five hundred per cent!" exclaimed Smiley.

"Yes, exactly that. You had to hire five times the average number of men required in order to keep your force adequately manned. Five times your requirements—five hundred per cent."

We thought a few moments in silence. It sounded reasonable. But Smiley is a hardheaded business man.

"Suppose it were this way," he said, addressing Lawson. "Suppose I start the year with a force of five men, gradually hire ten new men during the year, and at the end have a force of fifteen. Nobody left me during the year, so the ten new men are all clear gain. According to your way of figuring—let's see, the average number of employees is ten, the number hired is also ten— according to your way of figuring I'd have a labor turnover of 100 per cent. And yet I've always understood from the business magazines, Mr. Lawson, that labor turnover is a burden, an expense, a loss to the business. But there'd be no loss in this case, surely, when I quadruple the size of my organization with no wasted effort at all, every man hired being a sticker."

"Yes," admitted Lawson, lamely, "I guess I'm off in my formula somewhere. Maybe it's the proportion of losses to the average number of employees—I'm sure the average number of employees figures in somewhere. Let's go back to your actual records and see how this works out. You lost forty men during the year; your average force was ten; forty is four hundred per cent of ten. I suppose that's your labor turnover, Mr. Smiley—four hundred per cent instead of the five hundred I figured before."

"But assume," said Smiley, grinning sardonically as he weighed this new theory and apparently found it wanting, "let us assume that the forty men who left were all dropped by prearrangement, not because of any shortcomings on their part or any dissatisfaction on my part. For example, suppose I started out last January with five men, hired ten gradually during the year, and then shortly before Christmas took on forty men as extra salesmen, deliverymen, clerks, and so on, to help out during the holiday season. I never intended to keep these people permanently, and it was clearly understood between us at the time they were engaged that their jobs were temporary.

"Nobody lost anything when they ceased their employment. I didn't lose—they had served the purpose for which I hired them. The men themselves didn't lose—they had picked up extra jobs when they were jobless. And yet, Mr. Lawson, according to your second method of figuring, I would have suffered a loss of forty persons proportioned against an average force of ten employees for the year, and would have chalked against me a labor turnover of four hundred per cent."

We all went out to lunch together. Meeting Lawson's boss in the restaurant, we put the problem up to him. "What is labor turnover, Mr. Mackay?" asked Smiley. "How do you figure it?"

"Ah," said Mackay, the efficiency



"The emptying of jobs is not turnover. The mere filling of jobs is not turnover. It's the replacements, the filling of vacated jobs, that constitutes turnover"

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engineer, "there you are on debatable ground. The doctors do not agree as to what it is exactly, though they agree in pronouncing it a dangerous malady. Some figure turnover on the basis of the number hired over a given period—the proportion of the number of men taken on to the average payroll for the period. Their argument is that the thing that really counts in labor turnover is the hiring process. It involves the expense of recruiting applicants, interviewing them and selecting the acceptable ones, and also the expense of training or breaking them in on their new jobs.

"Another group of experts say that it isn't the hiring that causes the trouble, but the firing and quitting. So they base their computation on what they call the 'terminations' of employment. The number of men leaving within a given period is proportioned to the average number on the payroll during the same period, and the resulting percentage is the rate of turnover."

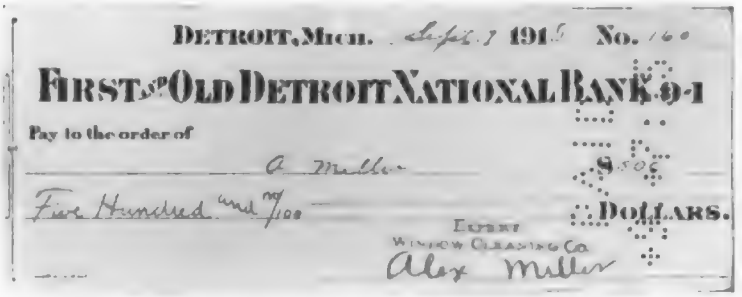
"Which method do you use?" asked Smiley.

"Neither. In my opinion they are both off—'way off. Neither hiring nor firing, taken by itself, is inherently expensive or disadvantageous or undesirable from a business viewpoint. Certainly the healthy increase of a force by hiring new employees is not a drain. And if it is not a drain to increase an organization to meet expanding business, neither is it a waste to decrease an organization to meet shrinking business or to meet altered conditions.

"For example, if a department store that has been operating a service of free delivery to its customers finds that it can give up this extra service without forfeiting the good will of its trade, where would be the loss in discontinuing deliveries, letting go the twenty-five drivers, clerks and other helpers involved in the service, and thereby cutting out a noticeable item of operating expense? Would it be turnover to let these unnecessary employees go? If so, then in this case labor turnover would be a blessing and not a burden, since it would rid the business of superfluous expense. No sir, you can't figure labor turnover in terms solely of men hired or men fired."

"Well?" prompted Smiley, waiting for his definition.

"Look at the words, Smiley," went on Mackay. "What do the words themselves—labor turnover—mean? Why, the turnover of labor—the turnover of jobs. It's a complete circle, and hiring or firing, taken separately, is only a semi-circle. You don't have labor turnover until a job that has been vacated is filled. The emptying of jobs is not turnover. The mere filling



Raised by the office girl in the Window Cleaning Establishment, from $5 to $500

She Got More Than Her Employer Had in the Bank

The writer of this check did not have $500 on deposit, but he had to make good the entire amount just the same. He was the careless one—not the bank—and the courts have ruled that the negligent signer of a check cannot hold the bank responsible for loss, even on a overdraft.

Mr. Miller used a sensitive tinted paper, but it did not prevent the alteration. He sent his office girl to the bank to get $5. She came back and gave him the $5, then disappeared with $495.

He says he was lucky to get the five.

Had he written the check like this:

EXACTLY FIFTY ONE DOLLARS SIX CENTS

With the "shredded" Protectograph two-color line (Todd Patents) he would not have lost the $495.

Protectograph Anti-Forgery System

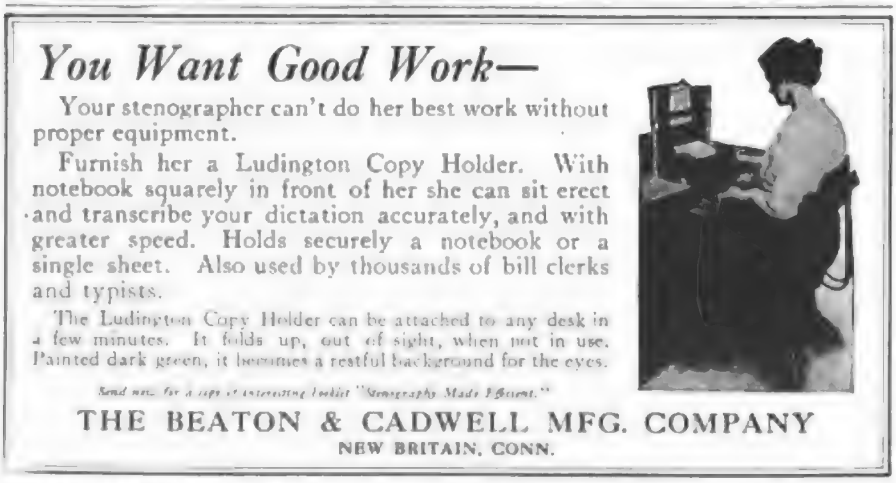
The combination of Protectograph Check-writer and PROTOD registered, forgery-proof checks, prevents forgery by counterfeiting genuine check forms, or by changing names, or by changing amounts—backed by a Forgery Insurance Policy.

If you are a responsible business executive and want to know the inside secrets of forgery and pen-changes, write for "Scratcher Sends a Warning"—written by a famous forger and "penman" serving a life-term in State prison. Inclose your business card or letterhead.

Todd Protectograph Co.
(TRADE-MARK REGISTERED)
Established 1899
1179 University Ave., Rochester, N.Y.
World's Largest Makers of Check Protecting Devices and Forgery-proof Checks.

Todd Protectograph Co., Rochester, N.Y.
FREE—Send "Scratcher Sends a Warning." I enclose my business card or letterhead.
NAME
Bus. 8-15





of jobs is not turnover. It's the replacements, the filling of vacated jobs, that constitutes turnover."

"Oh, you figure only the replacements, eh?" put in Smiley.

"What else should I figure," answered the authority. "You take, for example, the case of an employer who has—"

"Take my own case," interrupted Smiley. And then he briefly outlined for Mackay the employment statistics of his store for the year just ended, the figures he had previously given to Lawson and me.

"All right," said Mackay, "I'll use your case as an illustration. There are just five steps in computing labor turnover. First, get the average number of employees for the period—the month, or the year, or the ten years that you want to study. Second, figure the increase in the size of the force, in number of employees, for the period. Third, determine the number of persons hired during the period. Fourth, figure the number of replacements. Fifth, divide the number of replacements by the average number of employees for the period, and the result is your percentage of turnover.

"Now, to take your case, Smiley. You had five employees at the beginning of the year, and you had fifteen at the end. During the year you hired fifty people, and you had forty leave. By the way, are there any vacant jobs in your organization now—necessary jobs that have fallen vacant during the year?"

"Yes," answered Smiley, "my bookkeeper left a month ago, and I've had to look after the bookkeeping myself, until I can find a good man."

"All right. Then you have one necessary job vacant which you would fill if you could get a man. None of the new fellows you hired could b switched to the bookkeeping job, I suppose?"

"Oh, no," answered Smiley. "None of them are bookkeepers. Besides, I need them where they are. But go ahead. I'm eager to see how my labor turnover figures."

"Here's how it works out," said Mackay, taking a pencil from his pocket and beginning to figure the thing on the back of an old envelope. "First, get the average number of employees for the year." He put down this calculation:

5 + 15 + 2 = 10, average number on payroll for the year.

"Second, figure the increase in number of employees, thus:"

15 − 5 = 10, increase for the year.

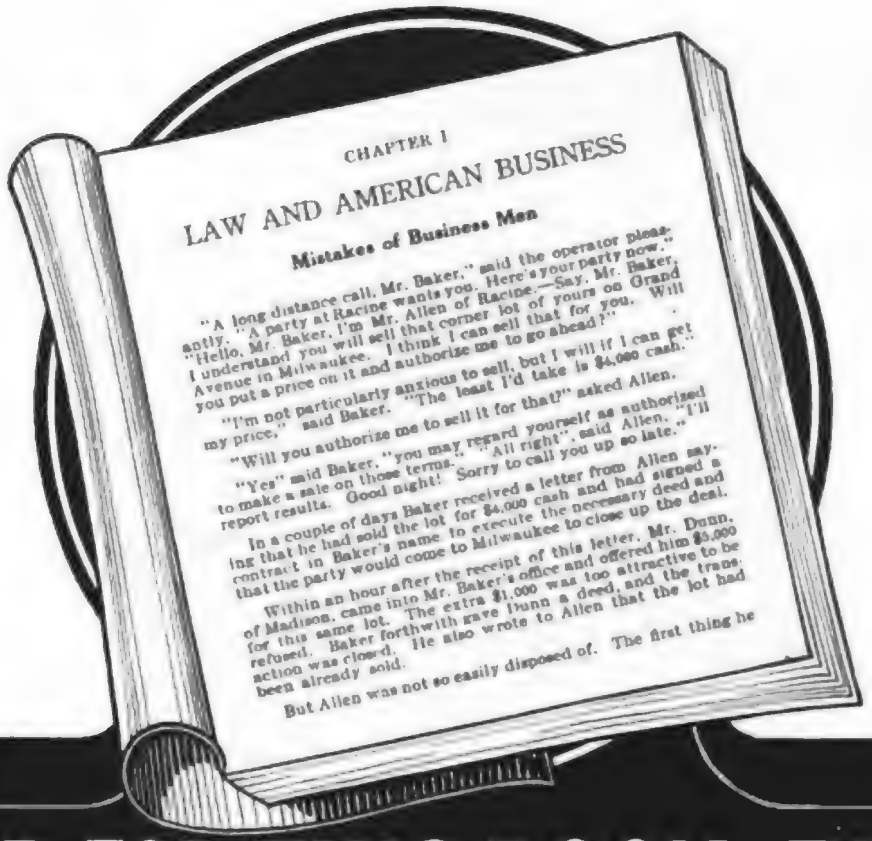
"Third, the number of persons hired:"

50 = number hired.

"Fourth, the number of replacements. You took on fifty men, lost forty, and have one necessary job,

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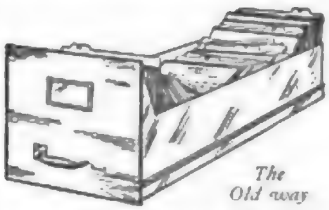
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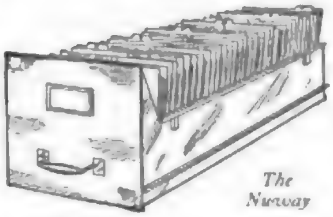
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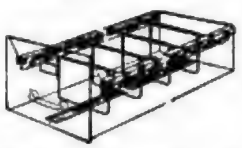
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vacated during the year, and still unfilled. So your replacements are:"

50−10−1=39, number of replacements.

"Fifth, divide the number of replacements by the average number on the payroll:"

39÷10=3.9, or 390 per cent turnover.

Smiley took the paper and examined the figures closely. After a while he handed the paper back. "How would you figure it," he asked sceptically, "if I had five employees to start with, gradually increased my force by adding ten new men during the year, and at the close of the year had a full organization of fifteen, nobody having left?"

Mackay took the paper, figured on it a few moments, and then handed back this computation:

5+15+2=10, average number of employees.
15−5=10, increase for the year.
10=number of persons hired during the year.
10 (number hired)−10 (number of increase)=0, replacements.
0÷10=0, percentage of labor turnover.

The merchant examined this even more closely than the first calculation. "No labor turnover, eh? I think you're right," he pronounced at last. "But here's one more test. Suppose I start the year with five men, gradually hire ten men during the year, and shortly before Christmas take on forty temporary workers for the holiday rush, letting them go right after Christmas, and ending the year with a total force of fifteen. How would you figure that?"

"The forty temporary workers introduce a slight variation," said Mackay, "but my formula will take care of it." He bent over the paper a third time, and when he had finished showed this result.:

5+15÷2=10, average number of employees.
15−5=10, increase for the year.
40 hired for a specific period +10 hired permanently=50, total number hired,
50 (number hired)−40 (number dismissed at end of temporary service)−10 (increase for the year)=0 replacements.
0÷10=0, percentage of labor turnover.

"By George!" exclaimed Smiley, "you've got it, Mackay. There's no doubt about it. That's the first sensible scheme for figuring labor turnover I've run across. It's reasonable. It really works out within reason under all conditions. May I ask if it is original with you?"

"Oh my no," answered Mackay, as he replaced his pencil and his papers. "There's nothing new under the sun."

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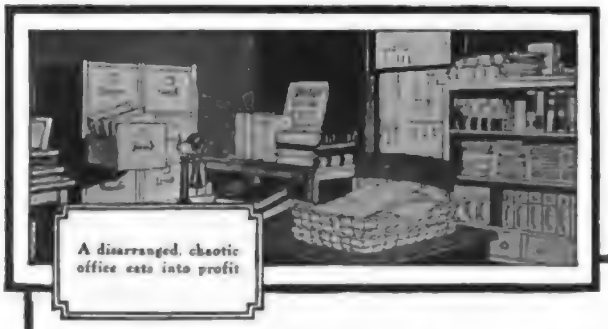
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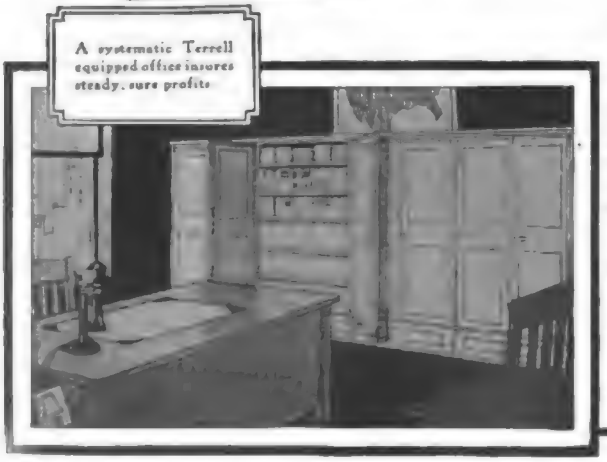
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Address

Service in the Seventies

(Continued from page 11)

how much pull the locomotive was exerting, and a hundred and one other details of operation.

The dynamometer cars have supplied the railroads with a wealth of scientific data relative to train operation that they could have obtained by no other means.

The railroads themselves, realizing that the air brake was destined to become an indispensable factor in transportation, organized special forces to look after its maintenance and made it compulsory for their trainmen to attain a certain degree of proficiency in its operation. Enginemen, especially, were expected to familiarize themselves with the equipment. Examinations for promotions were broadened to include questions on the subject of "air control." Thus was developed a great demand for information—a demand which the company met with an ever-increasing stream of instructive and descriptive literature, and by enlarging its force of field representatives.

No sooner had his brake been securely established in the United States than Mr. Westinghouse left for Europe, where he conducted a series of successful tests. His advertising in 1872 contained the information that his invention was in use on 30,000 miles of railroad in a dozen different countries. In every instance he had demonstrated the superiority of his device by equipping trains at his own expense, and when a railroad installed his apparatus its employees immediately got the benefit of his educational program.

Just about the time the railroads as a whole were coming to be on familiar terms with the air brake, Mr. Westinghouse made another discovery which resulted in the automatic air brake, a radical improvement over the first type, and much of his work along educational lines had to be done over again.

The first, or straight air, brake was applied by turning air into the cylinders from the reservoirs. The automatic brake was applied by releasing the air from the system—a complete reversal of the process.

The first important tests of the automatic brake for freight cars were made on the Chicago, Burlington and Quincy railroad. These tests were conducted on a very extensive scale and were so satisfactory that at their conclusion Mr. Westinghouse, in order to give railway officials in general an opportunity to post themselves on the operation of the new device, purchased outright and equipped a train of fifty freight cars which he took to all the

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principal railroad terminals in the country for demonstrative purposes.

On a later occasion he bought another fifty-car train and made a long series of tests for the benefit of the New York Central, Philadelphia & Reading, C. B. & Q., Santa Fe, Denver & Rio Grande, Northern Pacific and the Southern Pacific railroads. At the conclusion of these tests it was found that wholly satisfactory results had not been obtained on the Southern Pacific on account of the extreme conditions that had to be met.

"That being the case," said Mr. Westinghouse, "we will give them a train that *will* get the desired results."

And to prove that he meant what he said he got together a crew of forty men, put them on a train of two Pullmans, a dining car, a dynamometer car and 160 tank cars, and conducted tests of the most exhaustive description, lasting four months and costing him a fortune. In the end he showed the Southern Pacific how to increase the efficiency of its freight service between 30 and 40 per cent.

PROGRESS goes hand in hand with the development of transportation. Railroads are the arteries of modern transportation and for more than fifty years the nation's growth has been commensurate with their expansion.

Francis Bacon said that one of the three things that make a nation great and prosperous is easy conveyance for man and goods from place to place. Macauley put it this way: "Of all inventions, the alphabet and the printing press alone excepted, those inventions which abridge distance have done the most for civilization."

The business of the railroads is to move trains, and their efficiency is determined by the size, the speed, the frequency and the safety of train movements, always directly dependent on braking facilities. Hence the air brake has played an important role in the drama of national service.

Only a comparatively few people realize the significance of this device in relation to present-day conditions. The business man in Cleveland, for example, boards a luxuriously appointed night express and, behold! he wakes in New York, rested and refreshed, ready to take up his affairs where he dropped them ten hours before.

The suburban commuter rises at seven, breakfasts leisurely over his morning paper, catches an 8 o'clock train and is whisked to the city to begin his daily duties as the clock strikes the half hour.

The farmer in Missouri loads his live stock into a freight car at noon today and by noon tomorrow the shipment is being converted into dressed meat at Chicago.

Let The Autocall Help Conserve Time For You



By speeding up production and saving time for officials in factory, store or office, the Autocall has taken a definite place in business today.

Officials away from their desks can be instantly located no matter where they may be in office or factory. Department executives are constantly in touch with heads of other departments through use of the Autocall.

The Autocall is simple in operation. Code numbers are given officials and these correspond with numbers on the Autocall Central. When an official is wanted the telephone operator merely inserts a plug under his number on the Autocall Central and instantly his call is sounded from Autocall signal stations. From the nearest telephone he gets in touch with the person wanting him.

With the Autocall in service much time is saved the telephone operator who does not have to call from office to office in search of the official wanted. Unsatisfactory messenger service is eliminated.

The simple, durable construction of the Autocall and its accuracy recommends its use in offices, stores, factories, banks or warehouses where time saving is important.

Let us explain the Autocall to you. No obligation on your part is entailed.

THE AUTOCALL COMPANY

210 Tucker Avenue Shelby, Ohio

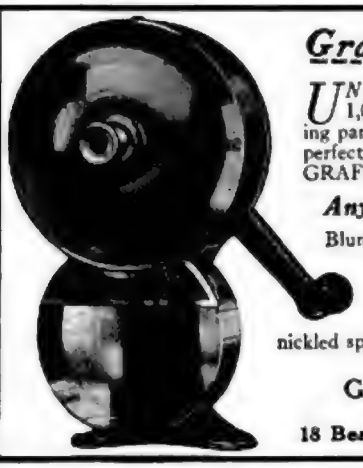
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Without taking the trouble to probe below the surface for causes we naturally give all the credit for these achievements to human organization, firm rock-ballast roadbeds, modern signal devices, great powerful locomotives and smooth-rolling cars. These constitute the vital factors of railway transportation in the consciousness of the general public. These are the things that make the railroads "go." That is true. But the air brake is the thing that makes them stop, and without an efficient and dependable brake the finest, fastest train in the world becomes a rumbling suicide special.

Paradoxical, therefore, as it may seem, the thing that has played the biggest part in making the railroads "go" during their extensive development of the last fifty years is the self-same device that has made them stop—the air brake. It has been instrumental in revolutionizing the railway industry, steam and electric—for it is also used on all street cars. It has made possible freight trains nearly a mile in length. It permits of passenger trains running a mile a minute. It has increased the frequency of trains in suburban service from one train an hour to one every few minutes. It has been characterized as the "greatest safety device ever invented."

ALTHOUGH it probably has more "ultimate consumers" than any other product manufactured in the United States, the Westinghouse air brake never has been given much attention by the average person.

If the air brake is mentioned in one's presence he associates it vaguely with a train, recalls that it produces a strange hissing sound and is in some way connected with a wheezy pump, but that is about all. He doesn't pay much attention to the braking facilities of a train as a general thing. When he thinks of a train he thinks of something that goes, and the faster it goes the better he likes it; he doesn't appreciate the importance of the stops.

You may never have given the subject much thought, but suppose you walked into a railroad station to buy a ticket. You are going from Washington to Philadelphia. You are in a hurry. You ask the man at the window about trains.

"Is this one a through train?" you inquire. "Does it make good time?"

"Yes," he replies, "the fastest train we have. Leaves in fifteen minutes, but we are obliged to send it out today without brakes."

That will start you thinking. A fast train but without brakes! When it begins to live up to its reputation for speed and something blocks the track, where do you get off? Or, how do you know the engineer can "close 'er down" at just the right time to keep from

"One bee working alone can make no honey. It is by working as a hive'

—MAETERLINCK



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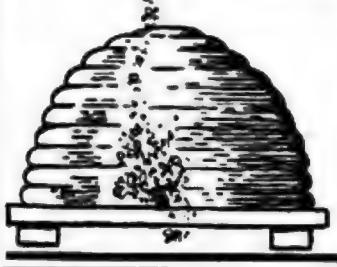
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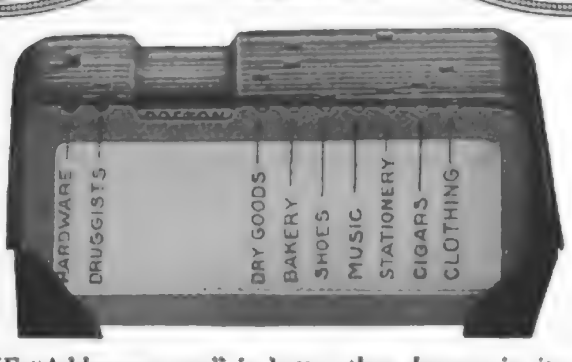


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THE "Addresserpress" is better than *human* in its efficiency. For instance, it has a "selector" attachment which can be set to automatically address circulars to any special *section* of a list. When so set, it skips the addresses in *all other* sections. Thus, when your Elliott Index-Address Cards are filed alphabetically or geographically and you want to send a special letter to *Druggists only* you can do so without any sorting of cards whatever. You'll be astonished at the great saving of labor, postage and printing, and the increase in advertising returns, the "Addresserpress" selector attachment will show.

drifting on out into North Philadelphia, where you have no desire to go?

It begins to dawn on you that a train brake is perhaps something like a good smoke—it is never appreciated until it is taken from you. It is scarcely too much to say that if every locomotive and car were stripped of braking apparatus, the railroads would be reduced to a state of helplessness.

One of the most remarkable accomplishments of the Westinghouse air brake was in connection with the development of the New York subway. Everyone who has been in New York has ridden in the subway and praised the service, but how many know that were it not for the air brake and a pneumatic car coupler invented by Mr. Westinghouse these underground tubes, instead of accommodating 2,000,000 passengers a day, could accommodate only half that number?

And how many know that every subway train is equipped with a specially designed "variable load" brake arrangement that provides a certain amount of braking power for each passenger that steps aboard, so that no matter how heavy or how light the load, there is always available just the proper degree of "air" to give perfect control?

Very few, probably. Yet the air brake is a highly complicated piece of mechanism and the average person isn't expected to know a whole lot about it. Sometimes the men who operate it have a hard time fathoming its mysteries. Take the case of Jim McKinney, for instance.

Shortly after the automatic brake was perfected it was fitted to a passenger train for a trial run from Omaha to North Platte. A conductor was placed in charge with instructions to point out the new features of the apparatus to all the engineers who were assigned to the run at the intermediate terminals.

Jim McKinney happened to be the engineer that was called to haul the train out of Rawlins. After he had backed his engine down and coupled up, the conductor climbed into the cab to carry out his instructions.

"Look out for her tonight, Jim," he said. "She's equipped with the automatic brakes."

"Automatic brakes!" shouted Jim "What the hell are they?"

"Damned if I know," replied the conductor, "only when you want them on, let them off; and when you want them off, put them on!"

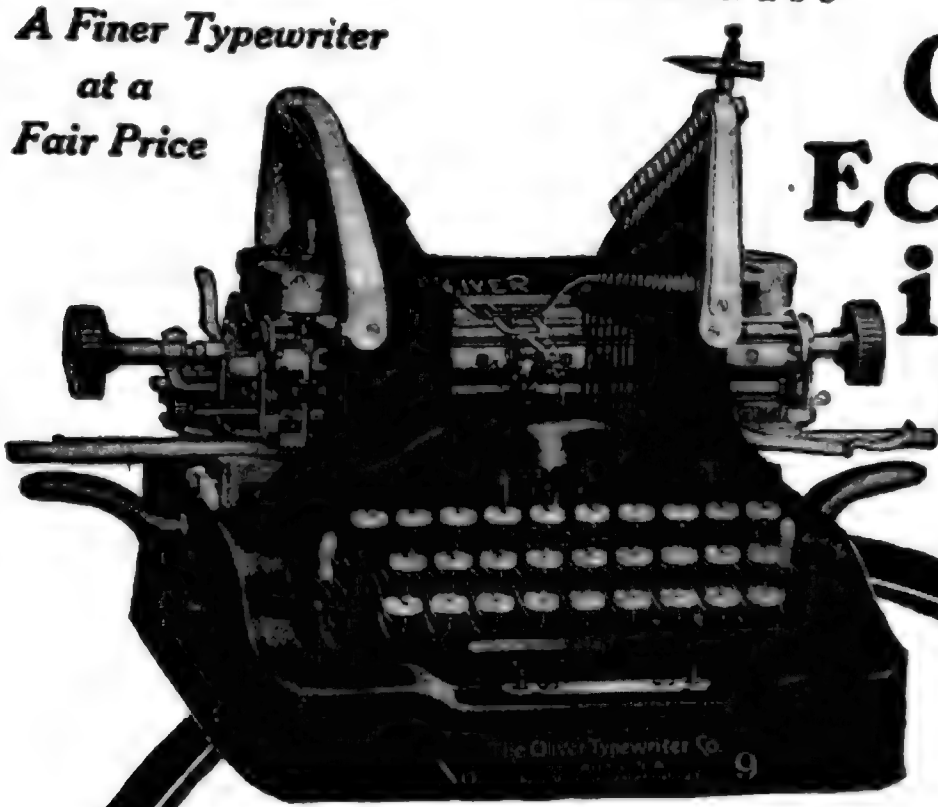
On his return to Rawlins the next day Jim met an official of the road who asked him how he got along.

"Fine," he said. "No trouble at all. Just like the conductor said: Put 'em on when you want 'em off, and let 'em off when you want 'em on. Nothing to it!"

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Now $64

Save $36 On Each Machine

You can now equip your office with new Oliver Nine typewriters at two-thirds the former $100 price. Revised, economical selling methods make this saving for you — the machine is the identical one formerly priced at $100. It is a new machine, our latest and best model — the finest product of our factories. Modern selling methods — pruned of all wastes and abuses — enable us to make this new price. So enthusiastic has been the approval accorded this one-price-to-all plan by business men and big typewriter users that our sales have increased enormously. You will find it the most satisfactory and economical method of typewriter buying. No salesmen need influence you — the Oliver is sent for free trial without deposit or prepayment — without red tape — it must sell itself. You know you want it before you pay us one cent.

Oliver Nine—New—Now $64

In this machine you get the latest development of a $2,000,000 typewriter corporation — guaranteed to be the same in material, workmanship and finish as the Oliver Nine formerly $100. It is the best machine we have ever built. Oliver Nine has a keyboard which any typist can readily turn to — its operation makes it a favorite for typists who know it. There is no sound reason based on facts why you should not take advantage of the saving of our new selling policy — our offer to send to you a machine for complete test in your own office proves this claim. Your old machines accepted in exchange at a fair valuation. Every Oliver Nine carries our guarantee. Service is built into every part. Over 900,000 Olivers have been sold — discriminating buyers like those below are now using the Oliver:

Large Users U. S. Steel Corporation; National City Bank of New York; Montgomery Ward & Co.; Otis Elevator Co.; Curtis Publishing Co.; New York Central Lines; Hart, Schaffner & Marx; Morris & Co.; Ward Baking Co.; Jones & Laughlin Steel Co.; Western Clock — "Big Ben"; Encyclopedia Britannica, and a host of others. Oliver service and Oliver dependability the reason.

Canadian Price, $82

Read the coupon below and see how easy it is to try the Oliver without expense. Simply fill in and mail the coupon — you need not decide to buy the Oliver until you have tried it. If you decide to buy, take over a year to pay — at $4 per month. If you wish to return, we even refund outgoing transportation charges you have paid. Or you can secure fuller information and our de luxe catalog.

Avoid disappointment — Order now to secure immediate delivery.

The OLIVER Typewriter Company
1382 Oliver Typewriter Bldg. Chicago, Ill.

Oliver Features

The original visible writer. One-third lighter touch—permanent alignment due to arch-shaped type bars. Every machine is tested at 800 strokes per minute, 50 per cent faster than human hands. Built for hardest usage—famed for dependability. Printype, if you wish—type like print. Capable of 20-copy manifold. In-built tabulator. Ruler horizontal and vertical. Bronze bearings. No hair springs nor flimsy wires. Simplified construction—fewer parts. Built of fine tool steel.

INFORMATION COUPON

THE OLIVER TYPEWRITER COMPANY
1382 Oliver Typewriter Bldg., Chicago, Ill.

☐ Ship me a new Oliver Nine for five days free inspection. If I keep it I will pay $64 at the rate of $4 per month. The title to remain in you until fully paid for.

My shipping point is.....

☐ Do not send a machine until I order it. Mail me your book—"The High Cost of Typewriters—The Reason and the Remedy," your de luxe catalog and further information.

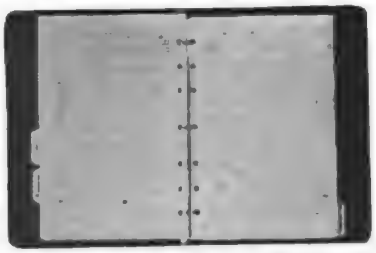
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(3134)

Salesmanship's Big Job

(Continued from page 9)

the directions. Take SWP first. Find out why it is better and more economical than lead and oil. Get convinced yourself, and you can then convince your customers.*** Get some wooden panels, 6 x 18 inches, and make endurance tests. Compare SWP Outside White with the leading competitor in town. Brush them out side by side, notice the spreading power, covering, opacity, color, etc. Expose them on the roof where you can study the wear. Show them to your customers."

The Sherwin-Williams mail course in retail paint salesmanship is teaching Sherwin-Williams retailers and their salesmen how to sell paint. Sherwin-Williams salesmen are showing the retailers and their salesmen how to sell more paint.

A Sherwin-Williams salesman drops in on one of his customers, maybe sells him some paint, and then chats a while.

"How are building operations, Charley?" the salesman asks.

"Rotten," says Charley. "Nothing going on."

"Bet you I can go out and in four hours sell four painting jobs," the salesman offers.

"You're on," the dealer agrees.

The salesman goes out. He scouts around the neighborhood for new construction work, for houses undergoing remodeling. He questions the workmen, gets the names of the owners of the buildings or the painting contractors who have the jobs, runs those individuals down and sells them Sherwin-Williams paint—to be purchased at Charley's store. And then, on the way back to the store, perhaps, he finds a couple of old houses that ought to be repainted, and he goes in and sells their owners.

Not only the towns, but the rural districts, afford a field for such tactics on the part of Sherwin-Williams salesmen. One of them borrowed a truck belonging to one of his dealers one Saturday afternoon, loaded it up with paint and headed for the country. He cruised the highways, alert for surfaces in need of paint. He sold paint right and left to farmers for their houses and barns—barns that hadn't had a coat of paint since the last visit of the Carter's Little Liver Pills man.

Sounds crazy, doesn't it? It's so crazy that last year Sherwin-Williams salesmen, in just such missionary work as that, just such scouting around and showing retailers how to open new lines of sales possibility, sold a total of 5,365 painting "jobs" that required 68,538 gallons of paint that came off the shelves of retailers. And will anyone attempt to estimate what volume of added sales resulted from thus opening the eyes of retailers to



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The only logical file is one easy to refer to, easy to place papers in, easy to withdraw those papers from.

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Look at the drawing. Notice the spacious "V" automatically formed between the papers when the drawer is opened. Think of the ease for reference—papers can even be read without removal. Think of the time saved in filing, finding and removing—no shoving, wrinkling or tearing, no crowded disorderly contents. When the drawer is closed it packs the papers up *tight*, saving 25% in filing space.

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DVERTISING SECTION

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ıles opportunities in their own neighorhoods?

But, despite the newly acquired iews of manufacturers and distribuors on the subject, business just now not all salesmanship. The retailer, orried although he may be by this onsumers' strike, knows that there are roblems in his business aside from the roblem of selling the reluctant conumer. There is buying, for instance.

It may be that, just now, with his helves and counters groaning under oods, the thought of buying anything ıore gives the retailer a variation of hat morning-after feeling that follows, r used to follow, a big and bibulous ight. But, anyway, he must keep on uying and the chances are that in is buying he needs wise and scientific uidance.

"Has it every occurred to you," an xecutive of the J. & T. Cousins Comany, shoe manufacturers, of Brooklyn, sked me, "has it every occurred to ou that a shoe store really is a deartment store? No? Well, it is. ew people, few retailers themselves, hink of shoe retailing as a departıentized business. And that's one eason why a good many shoe retailers o wrong in their buying.

"The next time you see an adveriisement of a clearance sale of shoes, nalyze it. There will be, let us say, 42 pairs of shoes that were made to etail at $12 and $14—and that cost he retailer about $7.50 a pair—offered t, maybe, $3.95 a pair. Notice ıarticularly the sizes that are specified, ınd you'll see that most of the shoes, ıbout 330 of the 342 pairs, will be end' sizes; that is, they will be near ne end or the other of the size range. The dealer simply has gone wrong on is buying. He has bought shoes for vhich he has no market. He has oods on his shelves that he can't sell, xcept at a loss.

THERE is a finality about shoes. You can't change them, as you an change ready-to-wear clothing, for nstance. A five-triple-A shoe remains a five-triple-A to the end of its days. The chances to go wrong on size alone ake you into the multiplication table ınd beyond. Take just one shoe, for example. It will have six possible vidths and ten possible sizes. There you have six times ten, or sixty, chances to buy unwisely on just that one shoe. Then remember that there are low shoes and high shoes, heavy shoes and light shoes, low-heeled shoes and high-heeled ones, cloth-topped shoes of many shades and all-leather shoes of almost as many colors. Every time you add one of those ramifications, you multiply your multiplicand of chances by a new multiplier and you get into a process like geometric pro-



"Is the price rather steep? Well, let's look here—"

—and RAND Visible Records, showing costs, make instant adjustments possible

TODAY—when markets stand firm one hour and totter the next, when prices swing like a pendulum—it is more vital than ever that successful businesses know their production cost, not once a year, but *daily*.

And, really, it isn't difficult to keep a constant check on costs—if the RAND Cost Record Equipment is used. For on RAND Revolving Stands or RAND Traco Cabinets all the records are before the eyes. The cards overlap each other, leaving the item names visible. Thus it saves room—4000 cards will go in the four-unit cabinet pictured above.

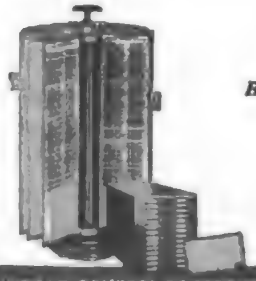
Every card is visible—you run your eye down the panel, which visualizes every name, till you see the one you want, then raise the card ahead—and all the data are before your eyes. It is only a moment's work to post labor costs from the daily production report to the Cost Cards. And, likewise, it takes only a moment to make cost summaries. Then—all the facts in hand—judgments can be made instantly.

So it is little wonder that concerns with RAND Visible Record Systems usually show the way to their competitors—and especially if RAND is used in other phases of their work, such as Stock and Purchase Control, Sales Promotion, Production, Personnel and Credit Control, etc.

Ask our local office to show you—without obligation—how RAND can help solve your particular business problem.

Or write direct for our Cost Control Booklet

Visualize your present Card-Records on the RAND



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RAND

VISIBLE BUSINESS-CONTROL

VISIBLE CONTROL OF CREDITS · PRODUCTION · PERSONNEL · STOCK · SALES PROMOTION



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Premier Motor Corporation
Manufacturers of
Premier Motor Cars
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April 2, 1920

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Indianapolis, Ind.

Gentlemen: We are now operating the Multi-Unit System of state maps which we recently purchased from you, and believe without doubt that this is the finest map system we have ever seen. In fact, we do not see how we ever got along without these maps for the past few years.

Very truly yours,
Premier Motor Corporation
E. W. Hurd,
Director of Sales

The list of Multi-Unit users includes hundreds of the largest and best known firms in the country. We have letters similar to the one above from many of them.

The experience of the Premier Motor Corporation with the Multi-Unit System has been duplicated in hundreds of the largest and best known business organizations in the country.

The Multi-Unit System enables you to display as many as 40 large size (50x48") maps in the same wall space that would be required for a single map. There is a Multi-Unit outfit that will meet the requirements of your business, whether your territory is one or two states or the entire forty-eight.

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The special "Namapo-Cellulose" surface of National Maps makes it possible to erase any marking made thereon. Use either a sponge, damp cloth, or art gum. The surface is left clean and smooth, ready for new marking.

This washable feature of National Maps enables you to mark them so that you will have before you a graphic representation of conditions in every part of your territory. Change the marking as often as necessary to keep your maps up to date at all times. Colored tacks may also be used to advantage.

Tell us what your territory is, and put it up to us to select a Multi-Unit outfit that will meet your requirements. We also mount blue prints, special maps, etc., and prepare graphic sales and production charts.

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You can now have electric daylight on every desk or machine with Emeralite and the new

DAYLIGHT ATTACHMENT

which converts ordinary electric lights into soft eye-saving daylight that increases visibility and prevents eye-strain.

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Sold by office supply and electrical dealers.

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THE NATIONAL DESK LAMP

gression. Do you see how a sh store really is a department store?"

It is upon the principle that a sh store should be operated as a depar ment store is run, at least with rega to buying, that the J. & T. Cousi Company is undertaking to teach i dealer customers something of t scientific side of buying shoes. T company has published a book on t subject. It is not a big, formidabl looking book. It looks congeni enough to tempt the average bus worried retailer of shoes. Its title i *"Do You KNOW, or Are You Gues ing?"* The book tells the retail how to arrive at what to buy by know ing what he has sold in all the lines an sizes and styles that he carries, an it presents to him a method, all e plained in illustrative detail, by whic he is to arrive at that knowledge.

The book is "sold" to J. & T. Cousi customers by J. & T. Cousins salesme Its popularity among its dealer reade gives fair promise of making it a be seller. But the book is just one deta Every J. & T. Cousins salesman is missionary of better retail merchan dising methods.

"Our men," the company executiv told me, "are instructed to give much time and thought and har work to the teaching of better reta methods as to the selling of our good We see to it that they are properl equipped to do the teaching."

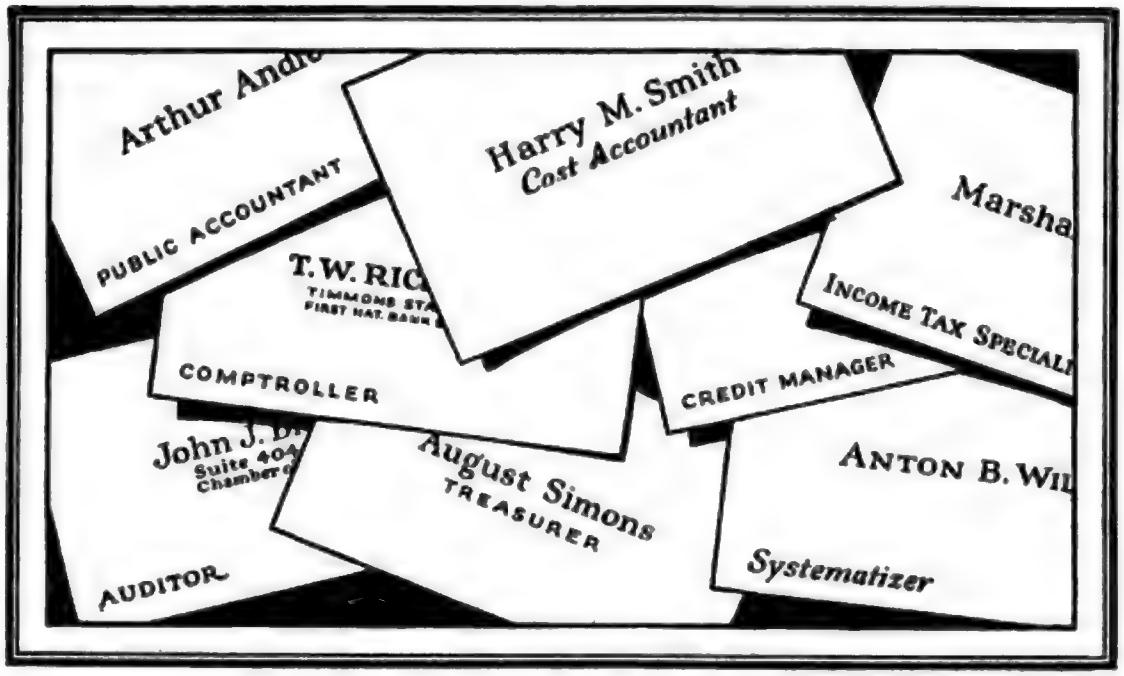
Clothing and shoes and paint an flashlights, of course, do not monopo lize the market place of the worl There are other industries and divisio of industries in which goods are bein sold—through dealers, or direct to th consumer, by mail and through pe sonal solicitation and in every oth way in which merchandise can b distributed.

Each of these divisions and phas of the production and marketing merchandise has its own peculiar prob lems. But each of the divisions an each of the phases, every line of market ing, is confronted by this same un versal condition of trade—the buyer market that so suddenly supersede the sellers' market.

Everywhere the salesman has com back into his own. But he is a ne salesman now, clothed with a ne dignity and entrusted with a new an a higher responsibility in the economi life of the nation. He has goods t sell and service, real service, to render There is no jazz in the selling gam now; indeed, no longer is selling game. It is a serious business—an more. It is an inspiring opportunity

The knight of the grip fares fort upon a knightly mission. And tha holds true in every line that sales men carry, from abrasives and broom to yeast and zinc.

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Which card would you rather have?

THE business world today is calling, calling—insistently calling for accountants. Not mere bookkeepers and ledger clerks—but high-salaried men trained to *interpret* figures, investigate, analyze and weigh conditions, men who help make business policies through analysis of facts supplanting wasteful "rule of thumb" decisions. They are "key" men—creators of net profit—in every business organization.

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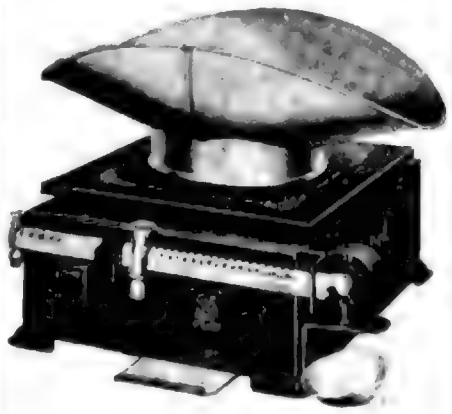
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Send for our booklet in colors. It gives prices.

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Nursing the Sick Account

(Continued from page 14)

impending crisis with the least amount of damage. As to its application as a preventive measure in the future, it offers the only hope we have.

"There is grave need of building up business, for it is estimated that our loss from bad debts totals $300,000,000 a year, and 80 per cent of this loss is due to lack of business ability on the part of those who fail. In plain words, men fail in business because they do not know their business. Society demands that failures be eliminated. Passing a dying customer to a competitor is mighty poor business practice: more than that, it is ethically unsound. We have permitted customers to operate without an accounting system; without means of determining costs; without a definite credit or collection policy—tempting them with unlimited credit to become insolvent and bankrupt. In doing this we have unconsciously given wood alcohol to the man who is thirsty and wants water.

IT is important, therefore, that we discover the weak places in customer's affairs and realize the necessity of employing prompt remedies to build them up so as to avoid fatal operations. Much work in this direction fails because it is impersonal. The difficulty of the individual business man requires personal attention.

"To this end the National Association of Credit Men has recommended creation of business-service departments. Having created the department, its manager will demonstrate its usefulness in four ways:

"First—When visiting customers, by observing their habits, practices, plants and equipment.

"Second—In his office, by observing customers' business transactions in all departments.

"Third—Through a study of salesmen's reports.

"Fourth—Through problems that the customers develop and bring to his attention without solicitation.

"Imagine your business-service man on the road. He finds himself in the office of a customer. A chauffeur is requesting $5 from the cashier for expenses. No memorandum passes between them. Your business-service manager knows that an evil exists and will diplomatically suggest a system that will eliminate looseness in handling petty cash.

"He visits another customer. He hears some one say: 'What did we charge Bergen for that spar varnish a month ago?' The reply is: 'I think it was $5.' The business-service manager says: 'Would you be interested in a simple system that will enable you to

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Better Bookkeeping Equipment

¶ A high-grade line that embraces everything required in the modern accounting system.

¶ Special feature binder equipment—labor-saving indexing systems—quality materials and workmanship, place this line in a class by itself—*just a little better than others.*

¶ We furnish everything you need for the successful handling of your accounts and business records. Blank Books and Loose Leaf Forms. Binders and Filing Equipment. Machine Accounting Ledger Systems and Supplies.

¶ Let us co-operate with you in securing the bookkeeping supplies you require. The knowledge we have gained by years of experience is at your command. Efficient service direct by mail.

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ACCOUNTING EQUIPMENT OUTFITTERS
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determine prices you have been charging customers on articles they are likely to buy again?' Invariably the answer will be 'Yes.'

"In conversation with another customer, the business-service manager will say: 'What is the percentage of your bad-debt loss?' The answer will be: 'Very little; I don't know the exact amount.' And the customer will be told how to operate a chronological record of doubtful accounts to put the spotlight on errors of judgment in the credit department.

"In another office some one will say: 'What does Riley owe?' There will follow excitement, delay, doubt. The business-service manager will conclude that the records are loosely kept. He will offer a simple system of recording sales so there will be a continuous record for instant reference.

"The business-service man gets back to his office. He studies correspondence and consults with the credit man. This is what happens. An agency report indicates that a customer's rating has been reduced or entirely withdrawn. The customer is visited. He is told what has happened. The importance of a financial rating in the business world is pointed out. He is told that the action of the agency is not in harmony with the report of the salesman. An offer is made to examine his records and prepare a financial statement for the purpose of obtaining a rating commensurate with his true financial standing. We have customers who have been benefited this way and who now have the confidence of all their creditors because they enjoy a substantial rating, instead of none at all.

"A report is received in the office reciting that a customer still owes thousands on an extension granted by creditors five years ago. The business-service manager knows that the facts are different and tells the customer, who advises the agency, resulting in withdrawal of the original report and substitution of an accurate one.

MOST credit offices find it profitable to contract for a service which indicates claims that reach the hands of lawyers. The business-service manager will scan the records for an account in which he is interested. Now and then he finds a customer listed. Instead of using the information to withdraw credit or to force payment, he will talk to or write the customer something like this: 'Our credit department has a report that you are being sued. This may be an error. Considering your interest foremost, we are drawing this to your attention to enable you to rectify a possible mistake. The item appeared in Blank & Company's weekly report. Can we be of service?' 'A great injustice has been done me by that report,' he may

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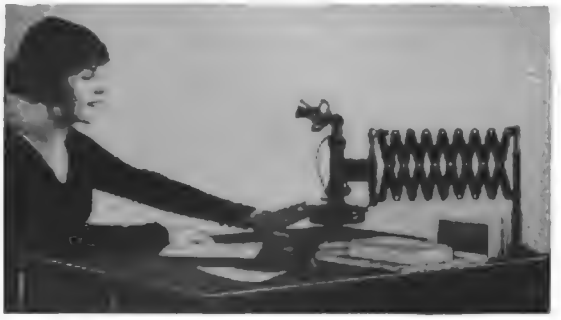


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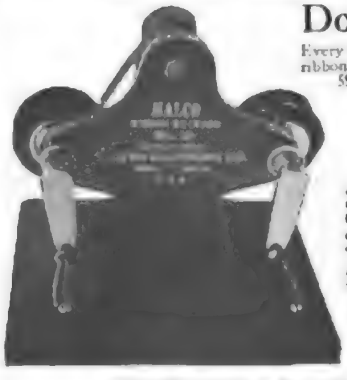
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Price $10.00, including sufficient ink for 100 ribbons.

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answer, while the facts may be that he was becoming chronically slow and thought that he could withhold payment unknown to his creditors until a summons was served. He has now learned differently.

"Salesmen are most useful and willing assistants. They use business-service to get on a more intimate footing with customers. Salesmen establish friendly relationships through which they are able to detect weak spots in customers. During conversation with a salesman or while the latter is attempting to collect an account, the customer will say: 'Collections are very poor.' The salesman will say: 'Would you be interested in a system of accounts that will show you what every customer owes, what you make or lose and what is the cost of doing business?' If the answer is 'Yes' a system is designed to fit the case. Salesmen should be equipped with business-service reports. On the ones we use, there are more than one hundred and fifty questions under sixteen captions.

"When it becomes known that you practice business-service, your customers will automatically come to you with their problems, as did one who had received a letter from his banker, asking a reduction of the customer's loan because his indebtedness had increased out of proportion to his assets. The business-service manager examined the customer's books, analyzed the ensuing year's budget, effecting a saving of $20,000 in salaries and expenses, and then reported the result to the banker. This is the banker's reply: 'If you, Mr. Business-Service Manager, will keep in touch with the customer, we will be glad to continue his usual line of credit.'

THE service I have outlined is free but it must be extended in such a way that the customer will be eager to receive it. When you hold up a customer and say: 'You must take this service; you must submit to an examination,' your efforts are likely to prove disastrous.

"The business-service idea is not new. The Prophet Elisha, in the year 896 B. C., said to a certain woman who was in debt: 'Tell me, what hast thou in the house?' and the woman answered: 'Thine hand maiden hath not anything in the house save a pot of oil.' Elisha then performed a miracle: he produced enough oil to pay the woman's debts. Properly organized business-service departments positively will cut in half the $300,000,000 annual bad-debt loss of the country and save thousands of business enterprises. As a practitioner of ten years' standing, I have no doubt about it, and I would not call it a miracle."

And so we see that while, as in any other epidemic, 100 per cent of cures can-

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To operate, merely touch Tab bearing proper rate—drop card into position—*the desired answer is before you ready to read.*

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Pay Roll Calculators for all standard methods of wage computation are now available. We are also prepared to manufacture special Calculators for any purpose in any quantity.

Our guarantee of time and money saving is based on the fact that the

- **American Railway Express Company now uses over 12,000 Meilicke Devices.**
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not be expected, commercial "influenza" is both preventable and curable and the chance of possible prevention and cure is in direct proportion to the knowledge and observance of certain fundamental principles.

If the credit man is familiar with the symptoms of commercial illness, as they have been described; if he is watchful to prevent their development—or, failing that, will apply the remedies outlined to effect a restoration of business health, keeping in mind the three-fold prescription of Co-operation, Personal Contact and Business Service—he will achieve results that will make him invaluable to his house and to the public.

How Will You Have Your Tax?

(Continued from page 17)

billions of dollars; the result for 1919 was 1,484 billions.

Without allowance for exemptions, which, of course, would have to be provided for, to a certain extent at least, the total revenue under a 1 per cent gross sales tax would be $14,840,000,000. If sales upon exchanges are deducted, as suggested by Mr. Cornwell, approximately 500 billions of dollars would be untaxed leaving 1,000 billions taxable at 1 per cent and yielding $10,000,000,000. Allowing another 500 billions for probable duplication of figures, it is estimated that at a conservative figure the proposed gross sales tax, if imposed at a rate of 1 per cent, would provide an aggregate revenue of about five billions of dollars a year.

While considering the suggested revenue measure, we must remember that although it is apparently simple in operation and should produce a large amount of revenue, when the Committee on Ways and Means attempted to frame a gross sales tax several years ago it found the practical difficulties so important that it abandoned the tax entirely as a revenue producing measure. These difficulties were so great that the members of the sub-committee working on the proposal were unable to find a satisfactory provision that would pass muster before the entire membership of the committee. To draft an effective measure embodying the principle of the gross sales tax, but with the admitted difficulties eliminated, is the problem of the new committee.

Balm for the Skinny

The proprietor of a coffee shop in Madison, Wis., recently advertised for a number of "slender waitresses."

"They take up less room," explained the advertiser, "they are quicker, they eat less and they do not get flat feet."

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More Power to the Salesgirl

(Continued from page 21)

"With our problem thus defined it was comparatively easy to go about solving it," Dr. Charters explained. We prepared a series of sixteen lessons in grammar, sent them out to the personnel directors of the stores and told the directors what to do with them."

Then there was the matter of arithmetic. Salespeople and cashiers make mistakes in adding sales slips and making change. But here, the bureau found, the situation was slightly different from that encountered in the investigation into mercantile grammar. Here the job was not to find out what sorts of mistakes were committed most frequently, but to establish with what sorts of figures the figurers had to deal most frequently and by what mathematical processes they had to handle those figures.

The bureau took 7,000 sales checks out of the co-operating stores, analyzed those checks and discovered some interesting truths. For instance, in the matter of fractions, quarters were most frequent. Following quarters and in the order named, came halves, eighths, sixteenths and twelfths. Seventy-five per cent of all the sales checks studied carried but one item each. Fifteen per cent carried two items. Ninety-eight per cent presented not more than four items.

In multiplication, as it is involved in the figuring on the slips, 2 was the multiplier in 54 per cent of the cases. In 97 per cent of all the instances of multiplication the entire operation could be performed mentally; that is, it fell within the twelve multiplication tables.

One might easily assume that in "making change" the mathematical process involved is subtraction. It would seem, for example, that a cashier, receiving a $5 bill for a purchase totaling $4.15, would calculate thus: "Five dollars minus four-fifteen equals eighty-five cents." As a matter of fact, as the bureau discovered, the cashier does nothing of the kind. She slips the five-dollar bill under the spring in the draw of the cash register and says to herself: "Four-fifteen and ten (taking a dime out of the dime box) is four-twenty-five, and twenty-five (taking a quarter out of the quarter box) is a half, and a half taking a half-dollar out of the half-dollar box) is five dollars." The salesgirl, when she counts the change into the hand of the customer, recites the same ritual. Not subtraction, but addition, is the process involved. And so the bureau classified all the requirements of department store arithmetic.

"Thus," Dr. Charters explained, "we found out what figures and what



"Every figure prints clearly"

I used to think that the printing was entirely up to the machine, until we started using Buyers Ledger.

Now I see that it's mostly in the paper.

There is such a difference now in the appearance of the type. And all our forms are much easier to read and work with.

And Buyers Ledger is so strong and durable—so easy to handle.

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A strong, moderate-priced paper for machine bookkeeping and statement work

"Buyers" is the identifying trade-mark for this ledger paper; it is the mark of the paper maker; not the jobber, converter or stationer. The mill holds itself responsible for the maintenance of the "Buyers" standard in ledger paper.

Any printer or stationer can supply Buyers Ledger in your work; it is distributed nationally.

FREE TRIAL SHEETS—If you wish to experiment in your own office, without obligation whatsoever, send for 25 Trial Sheets of Buyers Ledger cut to 12 x 12 inches (standard package; if other size is desired, please specify). You decide whether Buyers Ledger will help your operators "get out the work."

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By H. A. Groth

Not since the historic money panics of 1903 or 1907, in fact at no time in the business life of this country, has there been such an urgent need for clear thinkers, a need for saving of the executives time, by seeing quickly and clearly the nut of any business problem or plan.

What the automobile and aeroplane have done for speed and comfort in travel—What the telephone and telegraph have done for speed in inter communication—What the typewriter, the adding machine and the dictaphone have done in speeding and improving office work—leads us up to an appreciation of what a scientifically applied Charting System can do for the Executive and his Business.

Correct charts quickly executed on scientifically prepared forms tell a business story quicker and truer than it can be told with words or figures. In fact it is just as necessary today to have a good charting system in your business as it was necessary to know how to read and write 50 years ago. Besides the scope of the application of charting is almost unlimited—Charts have been successfully applied as follows:

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Convince by charts
Decide by charts
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Study by charts
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Increase your income by charts
Promote yourself by charts
Learn business principles by charts
Save by charts
Manage by charts
Prove by charts
Read by charts
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Organize by charts
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Every business large or small that is not equipped with a complete easy and quick to use, charting system, is being withheld a proven and tested benefit.

Charting as a Vocation

The man or woman who has a desire to succeed can do so quicker and more surely with charting. All that charting will do for a Business, it will also do for the man or woman who understands and applies Charts.

"Every business needs a Chartist in each department. The demand for good Chartists today exceeds the supply." H. A. Groth.

Note: No one is perhaps better fitted to speak of the advantages of Charting than Mr. Groth. As Treasurer of one of the largest Advertising Agencies he has for over 20 years daily faced the necessity of thoroughly delving into new problems in all lines of business. Here time has usually been the important factor, in fact next in importance only to thoroughness itself.

For many years a group of leading business and University men have been at work on a complete, practical, Instantly Usable Charting System. It has been tried and tested now for over a year. Today it is being used successfully by over 1,000 concerns.

Besides, these systems have done much to promote thousands of workers in these concerns, thereby becoming an added benefit to both Employer and Employee.

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J. GEORGE FREDERICK, President, The Business Bourse, Inc.

HERMAN A. GROTH, Treasurer Wm. H. Rankin Company.

PROF. HORACE SECRIST, of the Northwestern University.

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So that every ambitious employer and employee may learn more about this System, we have prepared a booklet called "HOW TO CHART"—Also samples of "Instant Use" Chart Stationery. Send for it today. It is FREE. If you desire the complete system at once, send draft for $42.00. —Special introductory price if order is received before February 25th, and the complete system will be sent on 5 days approval. Address Business Charting Institute, R-1517 No. 5 No. Wabash Ave., Chicago, U. S. A.

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ADVERTISING SECTION

mathematical processes the store employees must use most frequently, and then we proceeded to draw up sets of exercises involving those figures and those processes."

These exercises, incidentally, are ingenious things. They are self-solving. The exercise in multiplication, for instance, consists of a single sheet of cardboard on which is printed a series of problems, each problem appearing in a form somewhat like this:

1.76
2

Beneath the line and in the space where the answer normally would be, there is a rectangular opening through the card. The employee-student lays the card on a sheet of paper, figures each problem and writes the answer in the rectangular space. She is given a time limit in which to solve all the problems and write all the answers.

Then she is told to turn the exercise card over and lay it backside-up on the paper. The openings, since they are evenly spaced, coincide in regular order with the answers she has written on the paper. Printed on the back side of the card and beneath each opening is the answer to the problem with which that opening corresponds. Thus the student-employee "corrects" her own work by checking her answers against the printed results.

The exercises in arithmetic are planned merely for practice. A time limit is allotted for each exercise and the student is instructed to practice each of them until she can complete it within the limit.

"We can distribute these exercises to the personnel managers and the educational directors of the stores," Dr. Charters explained. "The rest is up to them."

There are broader problems of store management, however, than the correcting of bad grammar and the teaching of arithmetic. There are shoes, for instance, and the sale of them.

Last year the bureau investigated shoe sales in Pittsburgh department stores, selecting shoes because shoe departments usually need all the help they can get. The fourteen women who comprised the bureau's entire class of students were sent into the five co-operating stores that have shoe departments and were told to find out what was the matter with the shoe departments and what was to be done about it.

They found these conditions: good salespeople were hard to find; inexperienced ones could not be trained in less than six months. The labor turnover was high. Sales, compared with the sales of other departments, were nothing to brag about.

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Simplicity in construction because of correct design. Speed that meets the requirements of the world's largest shippers. Durability to last a *Business Lifetime*. These, plus new and improved features not to be found in any other machine, have made the DIAGRAPH famous with shippers everywhere for the past nineteen years.

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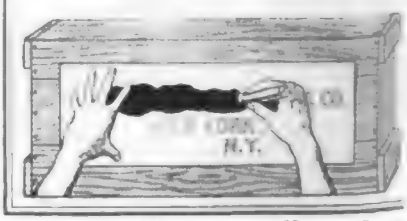
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Stencil board, inks, brushes and other shipping room supplies can be bought at marked savings direct from our St. Louis office or from branch office nearest you.

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The bureau students went in, not as bservers, but as employees in the lepartments. They "waited on" cus-omers. Meanwhile they listened to vhat the customers said; what ques-ions they asked, and what the sales-eople told them, or tried to tell them, n reply. The students recorded the ustomers' questions and the bureau abulated them.

In all, 387 questions were recorded. All, it happened, were questions asked y women customers. Eighty-one of hem were about materials; 52 were bout style; 47 about size, fit or com-ort; 32 about price; 27 about work-nanship; 18 about upkeep and repairs; 4 about suitability. One hundred nd sixteen of the questions were of a eneral nature about what stock was arried, such as, "Have you anything n a brogan tip?"

With a view to discovering reasons or preferences, the student-employees sked customers why they bought their hoes at a certain store. Of 103 women nterviewed along this line, ninety-one xplained that they preferred to buy hoes of a salesman in whom they had onfidence. Of all the 103, only welve knew just what they wanted to uy; and these same twelve declared hat they cared little about the store's elling service.

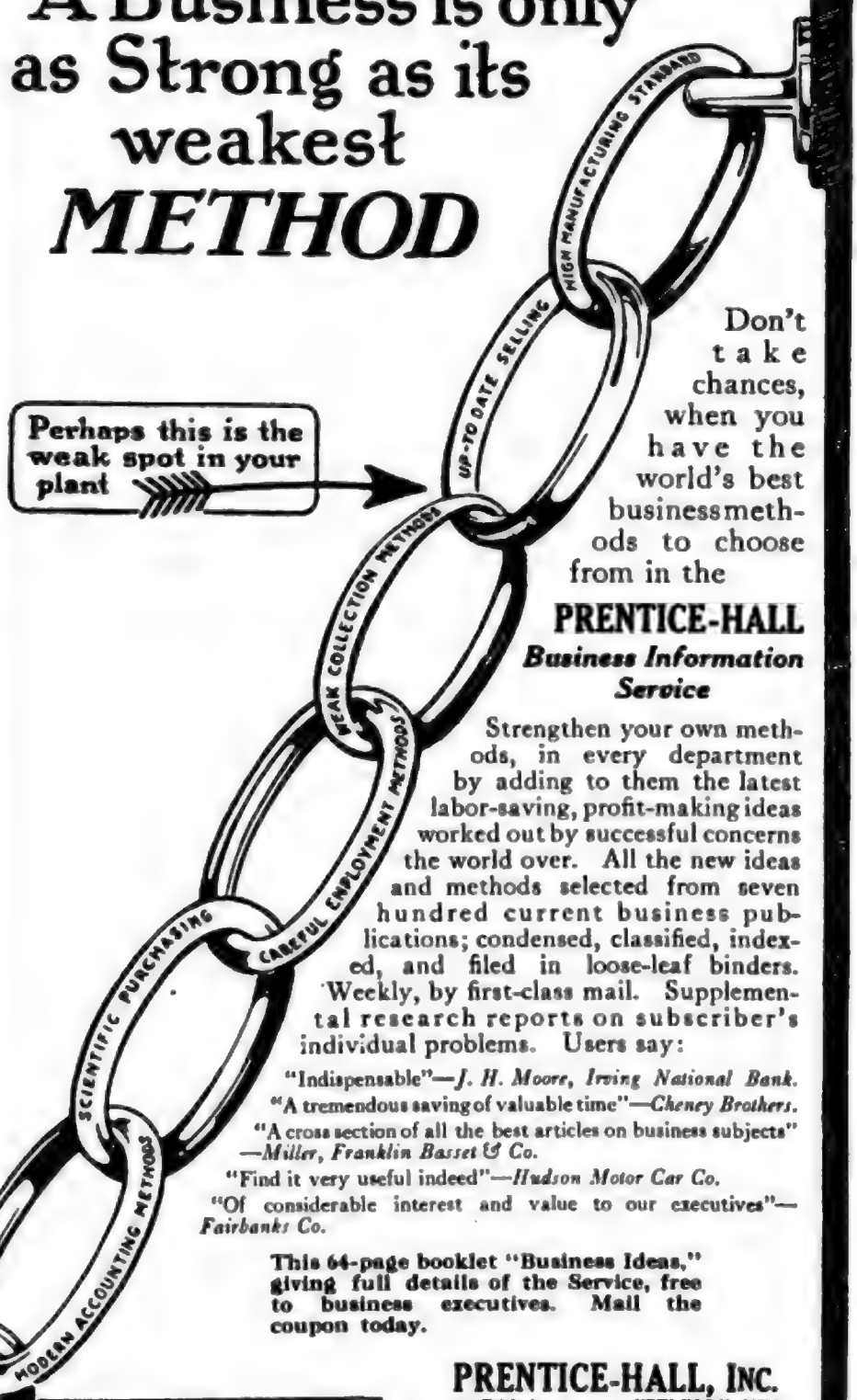
Time studies showed that, the aver-ge sale was completed in 17 minutes nd 45 seconds. The average number f "try-ons" was five for each customer. he time spent in hunting for stock anged from 30 seconds to 20½ inutes for each trip.

From these and other facts the ureau compiled two shoe-selling man-als, one for expert shoe salesmen and ne for beginners. In these manuals he customers' questions, ranked in the rder of their prevalence, are answered. alespeople are told how to justify he prices and how to explain details f workmanship, style and materials.

THE need of systematic training of sales people in the shoe departments, s revealed by the investigation, the ureau met by devising a three-day raining course for beginners. The pprentice learns the location of the tock. Under the supervision of a oach she learns to differentiate be-ween the various kinds of vamps, eels, toes, materials and styles. She 'sells" a pair of shoes to the coach and nswers the coach's questions about he merchandise.

Pittsburgh is the aboratory for nuch of the bureau's study. But ittsburgh, the bureau well realizes, loes not encompass the retail mercan-ile world. There are other stores, nd progressive ones, outside Pitts-urgh. So the bureau has gone out-ide. Throughout the East and the iddle West it has gone to stores for

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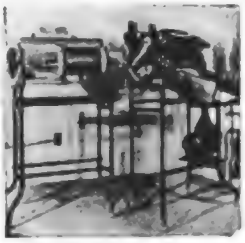
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ERTISING SECTION

data, particularly on the problems o human relations. At home and abroa it has found a problem of retail person nel, a question of equal importanc with the question of training stor employees—if, indeed, it does no actually precede, logically and chrono logically, the question of training.

The problem is one that has becom less troublesome during the past fe months; but a problem it probabl always will be.

"Training our help?" said an execu tive of a department store in Kansa City. "Gee, we haven't got to tha yet! We'll have to wait until we ge the help, get the right sort of materi and get enough of it, before we beg to worry about training *our* help Mostly, the trouble is that we don get the right kind of help in the firs place. We ought to be getting th high-school graduates, or some of them but we're not. Tell us how to ge that sort of young people, and we'll b happy to tackle the easier job of train ing them in merchandising."

Carnegie Institute's retail bureau has undertaken to answer that que tion. The answer, admittedly, is a long way off. The problem is not t be solved in a day, or a month, or year; some phases of it will have to b worked out by evolution and w require years.

As it did with the problem of train ing, however, the bureau has gone bac to the source for its point of attack Why doesn't the department stor find a higher percentage of high-schoo graduates among its applicants fo jobs? What are the objections tha exist in the collective mind of th younger generation against enterin the retail field? Using Pittsburgh a its laboratory again, the bureau calle a conference of department stor executives and asked them thos questions.

From the answers the bureau mad up a list of causes, some of them rea and some of them imaginary; some o them based upon conditions that ac tually exist in department stores, an others upon conditions that hav ceased to exist. Then the bureau wen back to the stores with the list an with this question: "If these con ditions exist, why cannot they b eliminated?" After that it went t other stores outside Pittsburgh—t twenty-seven in all—to find out wha their executives were doing about th same things. As this was written, th collection of data was still going on

Meanwhile there had been revealed another point of attack, the publi mind. Here, indeed, was an openin for the application of pure psychology to a business problem. The depart ment store, retail merchandising i general, must be "sold" to the publi as a gainful vocation, a calling whos

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GF Allsteel Office Furniture



Photograph on left shows Allsteel *Vertical Letter Files in the offices of the Great Northern Railway, St. Paul, Minn. Photo in circle shows battery of* Allsteel *files after coming through fire at the Cadillac Motor Car Co., Detroit, all papers in the files being preserved.*

Belongs with Success

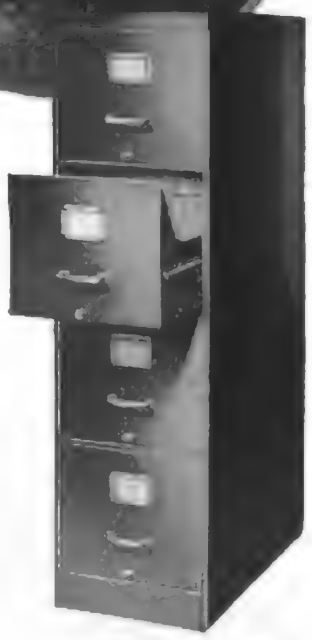
J. P. Morgan & Co., the Bethlehem Steel Co., Northwestern Mutual Life Insurance Co., H. J. Heinz Co., the U. S. Government, use *Allsteel* office furniture for the same reasons you will use it and have pride in it when you take the time to investigate its merits.

Allsteel vertical files will reflect the permanence and stability of your organization. They are practically everlasting and as convenient as they are durable. Instead of being bulky and clumsy, they are clean cut as a thoroughbred and take less floor-space than wooden files. This is a vital advantage these days, when space costs so much money.

Even when heavily loaded, the drawers of an *Allsteel* file will always move easily and smoothly, owing to the patented roller suspension. Your filing clerk will appreciate this as well as other exclusive features.

Allsteel *Office Furniture*

It is very much worth your while to look over the *Allsteel* dealer's stock of *Allsteel* desks, tables, safes, shelving, busses, and the various filing units. Finished in olive green enamel or perfect reproductions of mahogany and oak, *Allsteel* furniture will grace any office. It belongs with success. We will gladly send you our 88-page illustrated catalogue.



Allsteel four-drawer letter file, the strongest and most rigid file made and the one with the largest capacity for the floor-space occupied.

The General Fireproofing Company

New York Chicago Boston **Youngstown, Ohio** *Washington Atlanta Seattle*

Dealers in All Principal Cities



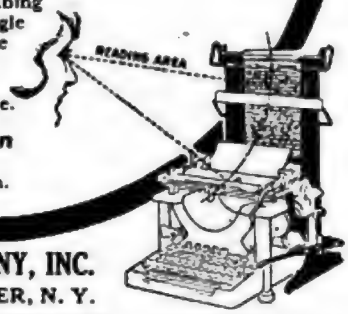
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TYPEWRITER STAND

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The "Satellite" is made entirely of steel. New metal top—an improvement over earlier construction—makes typewriter almost noiseless. A handsome, practical office fixture. Practically indestructible. Will not weaken or loosen with use. The most adjustable and portable of all typewriter stands.

Used in large and small offices throughout the country. Satisfaction guaranteed. Write to us for more information if you are interested in saving space, and in office efficiency.

Write Department B

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BRENISER, 337 B Walnut, Philadelphia

requirements demand the best human ability and whose opportuniti and rewards transcend the height human ambition. The start on th "selling" job is to be made in Pitt burgh.

Dr. Charters has that job before hi now. He admits, and freely, that it a big assignment and that it may ta years to fulfill. As to technique, h thinks, it calls first for advertisin Probably an educational campaign the newspapers, aimed to "sell" t store as a place wherein to work w soon be under way in Pittsburgh. Th campaign of advertising and eve other expedient and method that ma be used to do the job will be based, is all the work and as are all the a tivities of the retail bureau and i associate business bureaus at Carnegi Institute, upon the application psychology to business.

What is psychology? No less a authority than the Carnegie Institut of Psychology itself defines it thus:

"Psychology is the science of huma behavior. Human nature is observe and analyzed in order that a bett knowledge of the springs of action ma lead to practical consequences in th improvement of human relations."

With due respect to the learned an amiable gentlemen who are runnin the business psychology works a Carnegie "Tech.," isn't all that jus another way of saying that psycholog is common sense?

Industrial Waste

C. E. Knoeppel, an industrial en gineer of New York City, has com piled the following data relative t industrial efficiency—or the lack of i

Each one of our 30,000,000 worker loses, on an average, nine days a yea through sickness, causing them a mone tary loss of $700,000,000. In othe words, there is a loss in productiv effort in the things which could b built each day of 270,000,000 days year.

Our average unemployment, prio to the war, was 14 per cent, as against per cent in Great Britain and 2 pe cent in Germany.

Edward N. Hurley, of the Federa Trade Commission, says that only 1 per cent of the concerns of the Unite States keep accurate costs, as agains 90 per cent in Germany.

Charles P. Neil, chairman of th committee on Labor Exchanges, in report to the Chamber of Commerce of the United States, said it was esti mated that, for twelve manufacturing establishments, employing 40,000 men, the loss in one year from discharging men and employing substitutes was $831,000 with no advantages as an offset.

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Get All the Facts —*Then* Buy Your Envelopes

To buy envelopes confidently you must know *all* the facts. Our "Buyer's Guide" tells you about stocks, styles and sizes. With it you can standardize and economize your buying. The Guide is filing size. You will find it invaluable. But the edition is limited. Send for your copy today. No obligation.

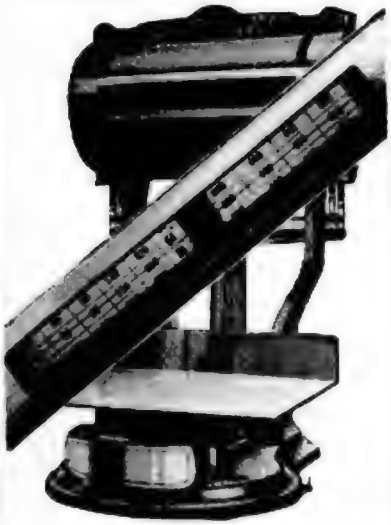
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DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.

326 WEST MADISON ST., CHICAGO

Sales Distribution

Romance and Epsom Salt

(Continued from page 19)

Finally, however, we found a manufacturer who was really interested in quality. To this idealist we "sold" our enormous distributing power, and, after a directors' meeting, he turned over to us his entire plant and his manufacturing process.

Then came the question "What kind of Epsom salt do we want?" Strange though it may seem, we did not know!

Of course, we wanted something better than any other Epsom salt, but we must determine wherein it should be better, and why.

That meant that we must study all the brands on the market with special reference to their negative qualities. We found only one brand that was, apparently, up to the U. S. P. standard, and this particular brand sold at a price four or five times higher than the ordinary brands. Save for this exception, every sample we obtained, when dissolved in water in proper proportions, proved to be intensely and offensively bitter, this disagreeable taste being particularly pronounced in salts of the lower grade.

To market an approximately "bitterless" salt would be a distinct advantage.

Many of the salts we examined contained clay, mud, chips, twigs and papers, large quantities of these contaminations being revealed by the filtration of solutions. Our demands narrowed down to a salt of absolute purity, with a medium-sized pure-white translucent crystal.

I will not weary you with the story of the many months devoted to experiments, the rebuilding of equipment, the development of new processes, the heartbreaking disappointments and the final triumph. It is enough to say that the process of making Epsom salt was revolutionized, and that today you can find an Epsom salt which, when properly dissolved in water, gives the merest suggestion of a slightly bitter taste. Even this disappears immediately when you swallow a drink of cool water. This salt is absolutely non-irritating, it is absolutely pure and its cost to the public is less than half a cent a dose.

PACKAGE

Dry Chemicals are put up in a four-ply parchment-lined carton, certain items being further protected by glassine envelopes.

Liquids are sold in bottles closed with a very attractive seal. The method adopted was based on the following test:

Bottles were filled with ether, sealed and weighed, and placed in an incubator, after which they were reweighed to determine the loss of ether due to



A Cheerful Worker Is a Better Worker

The mental attitude is an important factor in every establishment. One way to win good will of employees and start the day with a smile is to do away with the crowded, unsafe and unsanitary hookroom and provide each worker with an individual steel locker in which to keep belongings during working hours.

MEDART STEEL LOCKERS

Possess many points of superiority that appeal to discriminating buyers. Made of smooth sheet steel with welded joints and richly enameled. Multiple locking device operates with one turn of the key. Fire and theft proof. Easily and quickly installed. The reasonable first cost is the only cost.

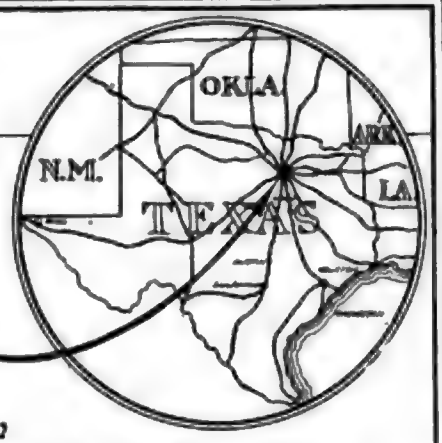
Send for Booklet

It illustrates and describes all styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools and gymnasiums. Inform yourself. Get the facts. Clip and mail the coupon below to our nearest office. We also make Steel Shelving, Racks and Bins for storage, stockroom or office. State if interested.

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Please send your free booklet describing Medart Steel Lockers. We employ about
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Attention Mr.
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We know this territory—its resources and opportunities.
Our service covers the Southwest thoroughly.

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The FORT WORTH NATIONAL BANK
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Absolute security
to your loose leaves

A YALE lock, which is a part of the binder, holds every leaf as securely as though they were in a bound book.

Only the man who holds the Yale key can insert or extract a leaf.

These Loose Leaf Ledgers are all you would expect of a Mann Product—made of steel, 100% expansion; of finest quality paper; with durable binding.

Further information and illustrations sent on request.

The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, has been using Mann Yale Lock Loose Leaf Ledgers, as illustrated above, for many years.

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving—Office Stationery and Supplies

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FOUNDED IN 1848

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leakage. The seal we finally selected withstood this test.

We then filled these sealed bottles with turpentine and other "creeping" liquids, inverted the bottles on blotting paper and watched for leaks. We also experimented for wear, by affixing and removing the seals thousands of times, until we were convinced that our seal was the most secure, as well as the neatest, on the market!

We knew that we could not afford expensive, many-colored lithographed or printed labels; and so we applied our knowledge of halftones, Ben Days, reverse line-cuts and straight type, and if you will examine one of our packages of drug chemicals you will find that the label possesses the "color value" usually associated with three-color printing.

In our color scheme we wanted display value, so that the package should not be "lost" when shown in competition with the many fancy drug labels in the store. The label must stand the brunt of display in the windows without fading. We experimented with colors and packages in stores illuminated by both natural and artificial light, and were the despair of the ink-makers and the printers until at last we found our Strong Blue, Weak Red, Reflex Ink combination.

We know that this package pulls your eyes to it, whether it be displayed in a window or on the shelves, and even when it is in the most gorgeous of company. As a single unit it looks clean, cool and sanitary, and *is easily remembered.* Every title is exactly in accord with government spelling and wording. Our guarantee is unmistakable, dignified and complete; all statements regarding quality, and all descriptions and directions, are stated with absolute truth; there is no hazy phraseology.

Our products range in size from the smallest units to the larger household packages, and are thus brought within the reach of the poorest person.

The name "PURETEST" was the result of months of study. Selections from dictionaries and books of English synonyms, and suggestions from thousands of friends and employees—one by one they were discarded.

Then, one day on the train, I startled the passengers by loudly exclaiming to my wife, "I've got it, I've got it and it's a winner—'PURETEST'!"

Almost over night we became the largest distributors of pure medicinal Epsom salt in the world, over forty carloads of our product finding their way into the homes of the American people in the first few months of 1920.

And so, once more, idealism in business is justified; and it appears that even such a simple every-day article as Epsom salt may achieve a touch of romance.

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NOTE—This announcement answers two questions that big employers repeatedly ask; viz: (1) What makes LaSalle men so practical? (2) Why don't more men train with LaSalle for the high pay positions in business?

The LaSalle Problem Method

— and how it successfully condenses a lifetime of experience into a few months of study

A question has blocked action on the part of many thoughtful men who were and are sincere in their desire to qualify in high salary fields. They have asked themselves whether training gained at home by correspondence might not prove to be mere "book-learning"—impractical—unmarketable.

We have no fault to find with this question—it is a natural one. The burden of our criticism rests on the man who permits the question to be its own answer, and to block and stop him in his upward climb without seeking further enlightenment.

For, when nearly a quarter of million men have trained with LaSalle and found bigger, better things through this training there must be sound reasons for their success.

There *are* reasons. They lie in the LaSalle Problem Method of imparting—not "book-learning"—but real, practical, usable business experience.

A knowledge of principles is one thing. The ability to apply and use principles—actually do the work at hand, is another—and the gap between the two is bridged by one factor and one only—*experience.*

That's why business men place such a premium on experience—it safeguards them against costly experiments.

Suppose you decided to take up as your life work—accountancy, say.

Now stretch your imagination a trifle.

Suppose that through the offices of an influential friend, arrangements were made for you to step in and immediately occupy the position you intended training to fill—right in the organization of a big corporation—with a complete department under your orders.

Say that by your side were placed, as your instructors and guides, several high grade accountants — men of national reputation—their sole duty being to train and equip you.

With these men instructing you in proper principles—then, you yourself exercising your own judgment in handling transactions and solving problems as they arose in your daily work—do you get the idea? You would be acquiring *experience* right along with the bed-rock fundamentals of the profession.

Sitting in the chair of authority—dealing with actual business—learning by applying what you learned—with experts correcting your errors, commending good work, guiding you aright through the ramifications, routine and emergency situation of the entire accounting field and making you make good every step of the way—mind—not in a classroom, but right in a business office where you would be actually doing the work you were training for—

— wouldn't you, at the end of a year or so in *this* situation be much farther ahead than men who had spent years seeking the same knowledge in the old, hard, "find-out-for-yourself" way?



The LaSalle Problem Method places you in the position you are training for. Big executives coach you in your exercise of judgment and initiative in the actual handling of real business problems. Self-confidence—practical, usable knowledge—all the things born of experience come to you from and thru the LaSalle Problem Method because it makes you an experienced man

You can answer these questions—your good sense tells you that the situation described would make you a practical man—sure, certain and confident—able and capable of holding down any situation the accounting field offered.

And that is why the LaSalle Problem Method makes practical men. Simply because the procedure outlined above is followed—exactly.

True, you do your work at home. True, the experts who help you are located here in Chicago,

Nevertheless, under the LaSalle Problem Method you are actually occupying the position you are training to fill, whether it be in the accountancy field, or traffic, or business management, or law, or correspondence—irrespective of what you are studying, you are acquiring principles and applying them in actual business under the watchful eyes and helpful guidance of men big in your chosen field.

And when you have completed your LaSalle work, you can truthfully say that you are not only a thoroly trained man, but an *experienced* man—you know the bed-rock principles and you have *used* them all—they are familiar tools in your hands.

A LaSalle man can walk in anywhere with confidence. He does not feel the uncertainty and fear that arise when one faces the new and unknown. Under the Problem Method he has explored his chosen field on his own feet—the questions, the problems, the difficulties—he has met, faced and conquered them all.

His experience makes him know that altho he may be assuming a new position at higher pay, the duties of that position are an old, familiar story.

Experience is cash capital in business. There are only two ways to get it.

One is the old, slow, uncertain way. The man who chooses to learn a branch of business by picking it up bit by bit as he goes along, finds the years slip by faster than he thought and sometimes his progress not as sure as he had anticipated. For, all the "bits of knowledge" he sought may not have come his way.

The other road is short, sure and certain. It lies thru the Problem Method, exclusive with LaSalle Extension University. This way condenses into the months experience which it takes most men a lifetime to gain.

There is food for serious thought in the literature that comes when you send the coupon at the bottom of this page.

J. H. Chapline

President LaSalle Extension University, of Chicago, Illinois

LaSalle Extension University

The Largest Business Training Institution in the World

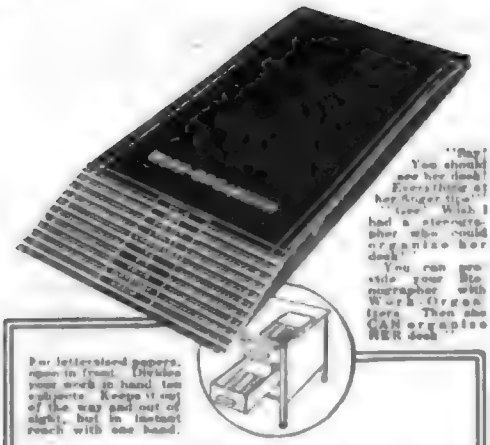
If you are in earnest when you say to yourself that you must do something to permanently increase your earning capacity — then — check the coupon below in the square opposite that training which appeals most to you. It is a step you will never regret. And it is a step that is one hundred times as hard to make tomorrow as it is to take today. Where's that pen—never mind—a pencil will do just as well.

LASALLE EXTENSION UNIVERSITY Dept. 292-R CHICAGO, ILLINOIS

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Name..... Present Position..... Address.....



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For letterhead papers, open in front. Divides your work to hand, ten separate. Keeps it out of the way and out of sight, but in instant reach with one hand.

"Ever Notice The Boss's Desk He's Setting Us an Example!"

Test the efficiency of your workers—just look at their desks. The Organized Desk says "He's a Comer." The Littered Desk says "Just an Average Worker."

"How to Organize Desk Work" Free

Is the title of the Work Organizer bulletin which tells executives how they can organize the desks of all their office people, how they can solve the "absentee" and "training new help" problems, and apply in office work some of the production methods which have done wonders in manufacturing processes.

This bulletin is standard equipment in each Work-Organizer, or sent by mail on request.

Following are a few of the 20 styles of Work Organizers. Equip one or more desks and try out the plan. To order just mark quantities opposite each style number, and attach to letterhead.

Black Seal Grain Fabrikoid cover on all exterior surfaces. Paper inside. Flexible, durable, handsome.

		3 for
.. No. 330—10½" x 17", 6 pockets, $2.50		$ 7.00
.. No. 332—10½" x 19", 10 pockets, $3.50		$10.00
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Flexible, durable paper. May be used on top of desk, but are recommended for drawer use.

		3 for
.. No. 730—10½" x 17", 6 pockets, $1.00		$2.75
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Work-Organizer Co. 721 W. Gd. Blvd. Detroit, Mich.



Absolute Time Records

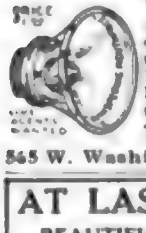
Know to the minute when work is started and finished; when orders are received and delivered; when letters are received and answered.

Kastens Time Stamps cost little, are built for long service, and work quickly, smoothly and accurately.

Send for catalogue showing various styles with prices.

Henry Kastens, 422-424 W. 27th St., New York, N. Y.

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

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BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads
1000 Billheads and
1000 Statements
ONLY $13.75 for Lot

1000 Letrhds & 2000 Billhds $13.75
1000 Ltrhds & 2000 1/3 Ltrhds $13.75
5000 large Letterheads $23.75
2000 Letrhds & 4000 Billhds $23.75

Lithographed on good Bond Paper. *Write for Samples.*

Customers from Maine to California.

KAY-DEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

$1,000.00 for an idea

One of my New York clients paid me $1,000.00 for an idea—but he would not part with it for fifty times this sum, because it has already earned $50,000.00 in profits and shows prospects of earning $100,000.00 within the next year.

I get quick results for those who want to *increase their sales* by using business letters. My fees run from $100 to $2,500 and produce profits from ten to fifty times this. Do you want to build up your sales with better business letters?

EDWARD H. SCHULZE

Acknowledged the foremost authority on business producing letters. Over 3,500 satisfied clients since 1912

220 West 42nd St. New York City

Eighteen-Cent Cotton —and the Greenville Plan

THE retail merchants of Greenville, South Carolina, found themselves in October facing a situation that threatened to wipe out the profits of the past two years. Their shelves were piled with goods bought at high prices, and trade was virtually at a standstill.

Cotton was quoted at around 18 cents, the growers had no money and were unable to borrow. In this extremity the Merchants' Bureau of the Greenville Chamber of Commerce came to the rescue and devised a plan that would enable the grower to hold his cotton for a raise and finance him during the holding process.

A company called the Merchants' Cotton Company, with a capital of $300,000, was hastily organized with J. W. Kirkpatrick, president of a Greenville department store company and of the Merchants' Bureau, as president, and William R. Timmons, secretary of the Chamber of Commerce, as secretary.

In and near Greenville are seventeen cotton mills, all of which carry large balances with New York commission houses. The plan contemplated that each mill should withdraw a certain sum from New York and place it in local banks on certificates of deposit, with the understanding that the banks would lend it to cotton growers on the recommendation of the Merchants' Cotton Company. What necessitated this roundabout method was the fact that the Merchants' Cotton Company was not a chartered corporation and therefore could not legally lend or borrow.

The banks agreed to the plan, provided the mills would put up the "ante." The money was to be loaned on a basis of 12 cents a pound for six months, the cotton having been placed previously in a bonded warehouse. No more than twenty bales would be taken from any one man who owned his own farm, but for the tenant farmer the sky was the limit. The Merchants' Bureau agreed to pay all expenses incurred by the operation of the company. By November 1 the $300,000 had been subscribed, and most of it was in the vaults of the Greenville banks.

Forms were prepared and approved by the directors, a manager was engaged and offices were opened in the Chamber of Commerce. On November 15—just twenty-six days after the idea was conceived—the first loan was made. At 7 o'clock on the opening morning more than fifty farmers were

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waiting in line outside the offices of the company, although the manager had announced in the newspapers the day before that the office would not be open for business until 8:30 o'clock.

By the end of November $50,000 had been loaned in amounts ranging from $50 to $1,500, all of it to small landowners and tenant farmers.

The farmer comes to the manager and presents his warehouse receipt. The manager approves his application and gives him a memorandum to the bank. At the bank the farmer signs a note and gets his money.

"We don't claim," said Mr. Kirkpatrick, "that our plan will boost the price of cotton to 30 or 40 cents within a month, or at all. But we are keeping some cotton off the market, and when the plan is generally adopted it will help a whole lot until the farmer can get his cotton to Europe. As for our own business—yes, it has helped. Sixty days ago I was canceling orders by wire; today I ordered more than a carload of goods for this store—also by wire."

High Brows and Low Heels

Traveling salesman for shoe manufacturers say they sell more "sensible" shoes for women to retailers in Boston than to dealers in any other city of the same class in size in the country. It is a fact that observation on Boylston street, or Tremont street, or almost anywhere in Boston will reveal a surprising preponderance of low-heeled shoes on feminine feet. Inquiry in two directions developed two diametrically opposite theories as to the reason.

"Boston women wear 'sensible' shoes because they do a lot of walking," said a retail shoe dealer on Tremont street. "They have to walk because taxicab rates in Boston are so high—higher than in any other city of the same size."

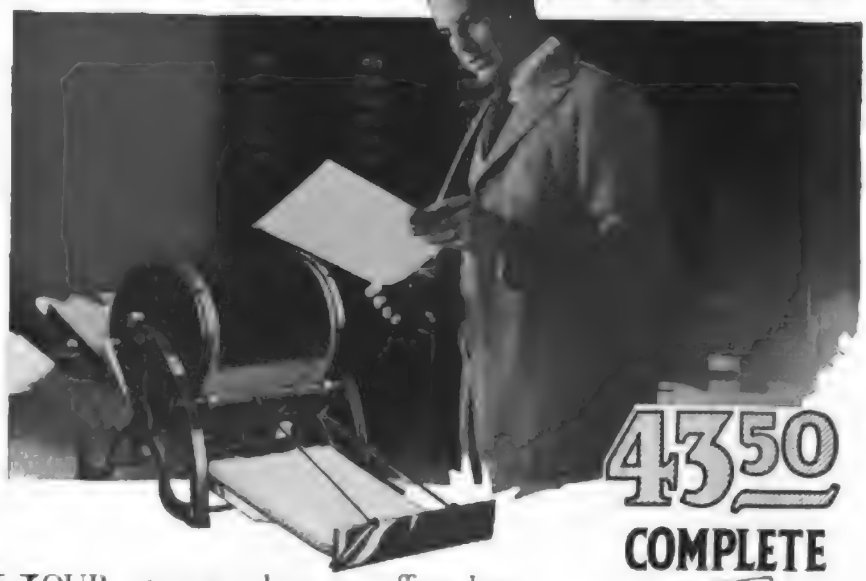
"Yes," admitted the taxicab agent at one of the Copley Square hotels, "our rates are pretty high. But we have to make 'em high in order to live. The people of Boston—especially the women—do an awful lot of walking!"

And there you are.

Insurance for Employees

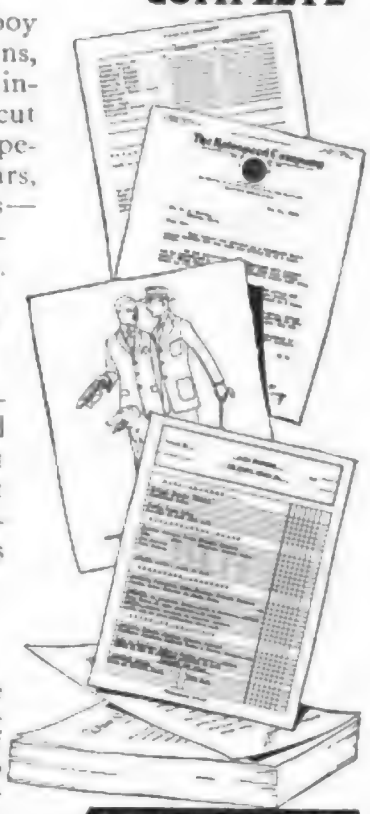
The General Electric Company has announced the adoption of a group insurance plan for all employees who have been with the company a year. The plan will affect 70,000 workers of both sexes. The total liability which will be assumed by the company will be $50,000,000, it is estimated. The plan went into effect January 1.

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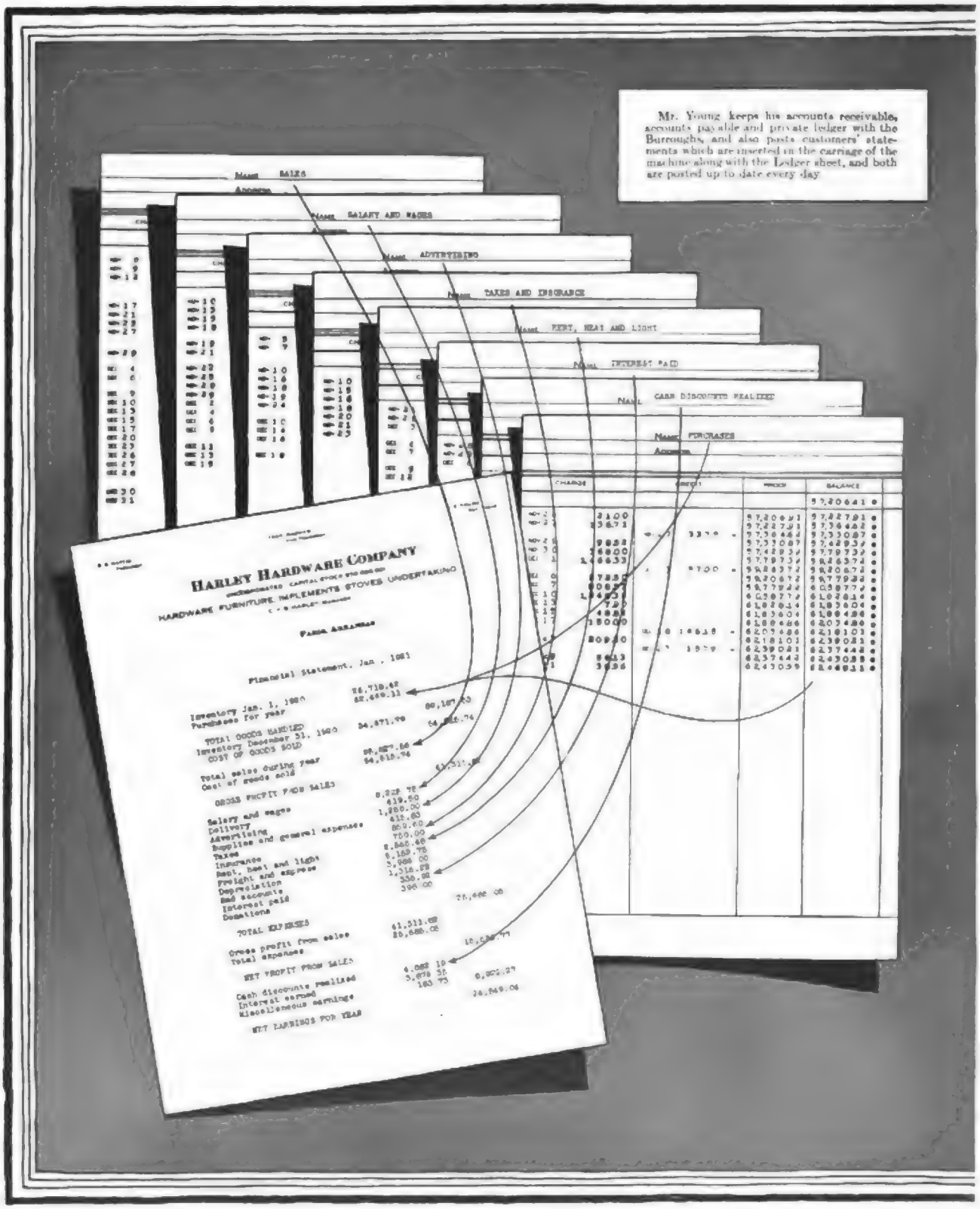
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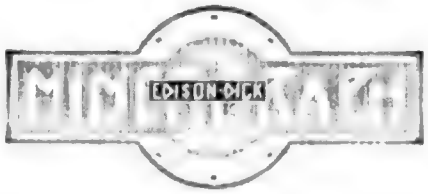
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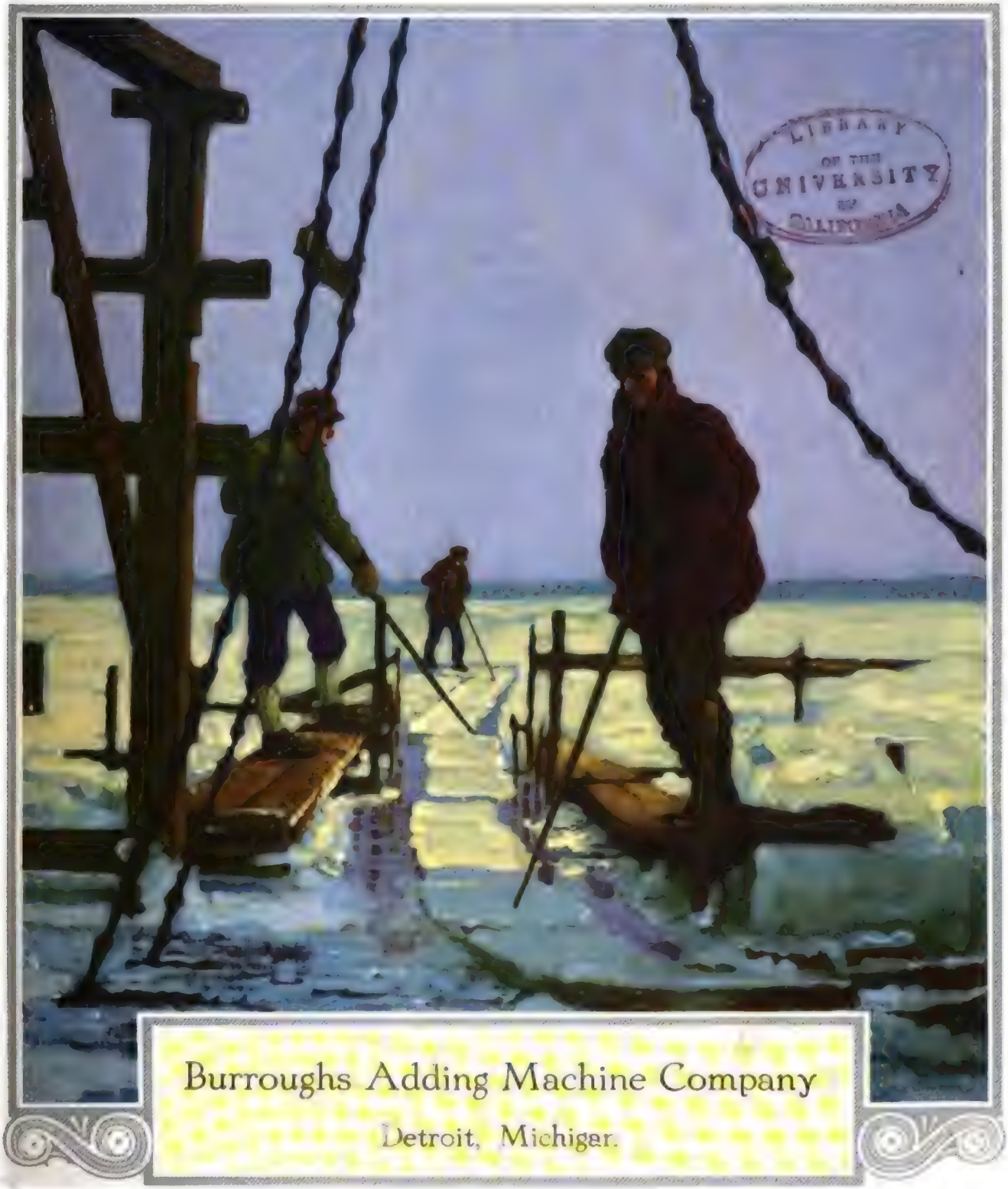


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BUSINESS



VOLUME TWO
NUMBER SIX

MARCH, 1921

LUCIEN KELLOGG, *Editor*
S. D. R. SMITH, *Business Manager*

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Volume 2
No. 6

BUSINESS

March
1921

A Cure for Townshipitis

By ARTHUR H. LITTLE

A CERTAIN Prominent Personage visited a certain home-town in Ohio one day a few years ago to address a banquet or lay a corner stone or bury a leading citizen, or something. A certain city editor, in conformity with the immutable laws that rule the lives and plan the assignments of all city editors, sent a certain reporter to interview the Personage. "Get him," instructed the city editor, still running true to form, "get him to talk about local affairs."

The reporter met the Personage in the lobby of the home-town's leading hotel. Now there are certain laws that rule the lives of reporters. Mindful of these, the reporter asked:

"What do you think of our city?"

"You've got too darned many townships," replied the Personage.

"Eh?" inquired the astonished, if inelegant, reporter.

"I say," the Personage elucidated, "that you've got too darned many townships hereabouts. You see, I was driven out from Cleveland in an automobile. As we were leaving the city, I was impressed by the excellence of the highway. It was as smooth and level as the roadbed of a first-class railroad. I turned to the others in the car to compliment the road, and just them, slam! The back of the seat rose up and hit me. I thought we had dropped off a cliff. The good road was gone. We were, seemingly, in the midst of the Bad Lands. For a mile or more we clambered through young canyons and climbed young mountains and fell off young precipices. I was amazed. The others in the car explained that we had passed into another township. And then, miraculously, the good road re-appeared. Another township! For the next mile or so we moved as if floating on oil. Then, slam! We bumped into another township. So it went all the way out here, township to township and good road to bad.

"Really, I've never before been in a section of the country where you actually could *feel* the boundary lines! You've got too darned many townships. You've got more townships than a toad has warts. You've got the township itch. I'd call it townshipitis."

Townshipitis is the disease that has afflicted the highways of America ever since the men of America—or some of them—began to realize that a road is something more than a scratch across the landscape along which fences have to be built. Townshipitis is responsible for the fact that every mile of reasonably permanent road in existence in America today has cost us Americans just about $240,000. Road just as good can be built for $30,000 to $40,000 a mile. That discrepancy of about $200,000 a mile represents the toll that townshipitis has taken—the toll of nation-wide waste that has come partly from the disjointed, disassociated, disorganized effort that is conceived by narrowness of mind and partly from the mistakes that have been born of sheer, downright ignorance of the science of routing and building roads. The trouble has been not that there were too many townships, as the visiting Personage diagnosed the case, but that the townships and the counties and even the states, themselves, have had too many notions and hunches and ideas and half-baked plans concerning where roads should be built, and how.

Do you know what a "stub" is? "Stub" is road-engineering parlance for a segment of improved highway—probably expensively improved—that starts nowhere and ends in the same place. You know of a stub within five miles of your store or office. You remember it because the last time you drove over it, just after you emerged from the under-cut under the interurban tracks, you encountered a wooden horse sprawled crosswise of the road bearing a sign that read, "Road closed—detour." They were repairing the "permanent" road again. The country over, there are hundreds, possibly thousands, of just such stubs as that. They are the rash of townshipitis.

But for four years America has been taking something, nationally, for its townshipitis. We are convalescing; we have passed along the road of improvement beyond the stage at which the attending physicians confine themselves to the bulletin: "The patient is doing as well as can be expected."

The treatment began about the time of the birth of a new national baby. His name was Motor Truck. He was a husky youngster, was little M. T. Even before he had outgrown his first rattle—figuratively and literally—we saw that he was destined to become a factor to be reckoned with in the economic household. We nicknamed him Little Brother, because he seemed to "take after" that older son, Railroad. Now Little Brother might have grown up just wild. But we determined that he should have his chance and that he should grow up in healthful surroundings. And so we set about the eradication



The federal government and the states together are building between 12,000 and 15,000 miles of permanent highways each year

of that townshipitis thing. The family doctor was Uncle Sam.

On July 11, 1916, what is known as the Federal-Aid Road Act became a law. Primarily, that act of Congress transformed the Bureau of Public Roads of the Department of Agriculture. Theretofore the bureau had been an advisory agency, sitting in academic aloofness from the workaday world, experimenting with and playing at road-building, but having no part in the actual building of roads that was going on. The bureau had been limited as to funds and as to the legal scope of its activity. This had been in line with a century-old policy of federal road-building abstinence. The Federal-Aid Road Act transferred the Bureau of Public Roads from the academic to the active class, gave it a couple of barrels of money and equipped it with the necessary human machinery in the way of a nation-wide organization to apply that money to the planning and building of a national system of highways.



A modern highway built by the federal government and an Eastern state on a "fifty-fifty" basis

A national system of highways! Your mind pictures a map of the United States. Crossing that map from east to west and from north to south your mind's eye traces a pattern of far-flung roads, stretched like taut wires from Atlantic to Pacific and from Lakes to Gulf. It makes an inspiring mental picture. But—

"As a matter of fact," Arthur L. Luedke, engineer-economist of the Bureau of Public Roads, explained to me, "our conception of the meaning of a national system of highways doesn't include, primarily at least, transcontinental roads. We might build a 3,000-mile road from coast to coast that would cost $100,000 a mile. It would be a monumental work. But economically, just now, it would be all wrong. To the bureau a national system of highways means such an arrangement of improved roads as will fit most accurately into the existing arrangement of the centers of production and of the facilities of distribution and will function most efficiently in the process of transporting the necessities of life from the farms, the mines and the forests to the existing centers of distribution and of carrying the products of manufacture to the markets and to the ultimate consumers. Such a conception may mean, in certain rather exceptional cases, an interstate highway crossing two, three, or maybe even four states. But in the great majority of instances it means the improvement of the shorter roads, the main-market routes that radiate from such centers of population and of distribution as New York, Chicago, Toledo, Kansas City, Omaha and the like."

Federal aid, as written into the provisions of the Federal-Aid Road Act of 1916, means just what it says—federal aid. And therein lies the crux of the whole matter. Federal road-building effort, as it is applied under the terms of the act, permits of no federal interference, no federal dictation, in the road-building affairs of any state. The federal government may not initiate. It may only co-operate. A state may start a project and ask federal aid. The Bureau of Public Roads, if it approves the project and considers it in harmony with that broad conception of a national system of highways, will help in the building of that road to the extent of paying one-half its cost. All that the federal government asks in return is that the state permit the Bureau of Public Roads to supervise, in an advisory capacity, the actual building of the road.

So much for the broad, underlying principles of federal-aid road-building. Now to explain how it operates and what it has accomplished:

The original federal-aid act appropriated the sum of $75,000,000 for rural post roads in installments at the rate of $5,000,000 for the first fiscal year ending June 30, 1917; $10,000,000 for the fiscal year of 1918; $15,000,000 for 1919; $20,000,000 for 1920, and $25,000,000 for the fiscal year that will end June 30, 1921. A sum not to exceed 3 per cent of the appropriation was to be used for administering the act.

Any state that would comply with the requirements of the law might have access to a portion of each annual appropriation and might use that portion for the building of roads for the cost of which the state itself had appropriated one-half. The first requirement placed upon the state that would participate in the fund was that it must have a state highway department, constituted and equipped to perform the functions of such a department.

Naturally, there were other basic regulations for the control of the fund. Each state, for instance, was limited in the extent of its participation in federal aid. For each there was established an



Measuring the impact of a motor truck wheel. A truck running twenty miles an hour has just passed over a two-inch block, and the resulting impact is recorded by a device set in a recess in the paving. Right—close-up of the measuring device, ready for the test. Left—the cap of the device has been removed. The distortion of the bronze disc in the man's hand measures the force of the blow. When a 6,000-pound truck, traveling fifteen miles an hour, drops off a two-inch elevation it deals the road a blow of 26,500 pounds—more than thirteen tons

apportionment that it might not exceed. Three factors, each given a weight of one-third in the consideration, were to determine that apportionment: the state's area, its population and its mileage of rural-delivery and star-route roads. The original act limited the expenditure of government funds to $10,000 a mile of roads. This limitation has since been amended to $20,000 a mile, exclusive of the cost of bridges of more than 20-foot clear spans. In addition to the $75,000,000 appropriated by the original Federal-Aid Act, the postoffice appropriation bill of February 28,1919, carried an appropriation of $200,000,000 for the construction of federal-aid roads. As thus amended, except for other amendments of a minor nature defining certain terms, the act stands today.

The Bureau of Public Roads, made the agency through which the act was to be administered, has been expanded to a nation-wide basis. Its organization now consists of a headquarters force headed by the chief engineer, P. St. J. Wilson, and stationed in Washington, and thirteen district engineers in charge of the work in thirteen groups of states. The district engineers, in turn, have under them staffs of engineers who have supervision over sections of the district work. Besides the headquarters and district forces there is another and an important division of the organization—a staff of engineers engaged in research work at the bureau's experimental tract at Arlington, Virginia.

It is interesting to note that, in casting up the work that his bureau had done up to the end of the last fiscal year, the chief of the bureau, Thomas H. MacDonald, should give a secondary place to statistics of money expended and miles of highway improved. On June 30, last year, the bureau had approved more than $380,000,000 worth of federal-aid road work, an expenditure that exceeded by more than $10,000,000 the expenditure for American work on the Panama Canal. Yet in his summary of results Mr. MacDonald gave prior place to this:

"One of the earliest and most far-reaching results was the creation of adequate state highway departments in seventeen states that previously had had either no state departments at all, or that had had departments insufficiently equipped to perform the necessary functions. In one year, after the passage of the act, more constructive highway legislation was placed upon the statute books than ever before had been enacted in the history of the country in a similar period. This legislative activity was a direct consequence of the conditions imposed upon the states by the Federal-Aid Act."



Part of the outdoor laboratory maintained by the Bureau of Public Roads at Arlington, Virginia. The square blocks are samples of paving to be tested for resistance to impact. The long white strip at the left is composed of forty-nine different kinds of paving, undergoing tests by a 5,000-pound "wagon"

At the end of the last fiscal year 2,985 road-building projects, involving a total of 29,319.3 miles of road, had been approved under the terms of the act. The preliminary cost of these projects had been estimated at $384,916,819.53, of which $163,841,503.93 was to be the share of the government. On that same date 2,116 projects, involving 15,944 miles of road, had been completed or were under construction. The estimated cost of the projects then actually under way was $200,000,000.

AND now where is this money being spent, and how?

There are in America some 1,500,000 miles of road. Two or three or even four hundred million dollars spread over those 1,500,000 miles of road over the course of a year would scarcely keep cut the weeds along their edges. But the saving fact is that, of all the traffic that moves over all the roads in the country, 85 per cent confines itself to 20 per cent of the highways. In other words, of all those 1,500,000 miles of road that the maps show, only about 20 per cent, or 300,000 miles, needs to be improved in order to benefit 85 per cent of all our road traffic. And of those 300,000 miles of road that carry 85 per cent of the traffic, the states already have under maintenance 200,000 miles of improved highways. Thus, from that point of view, it is seen that the job of eradicating townshipitis from the national community is, so to speak, about two-thirds done.

And we're still making progress. federal-aid road work is going forward and together with work being done by the states is cutting into that remaining one-third of the job at the rate of 12,000 to 15,000 miles of road a year.

But specifically, you ask, just where are those 300,000 miles of "key" roads that carry the bulk of our traffic; and how are those 12,000 to 15,000 miles of roads that are being added to our national highway system every year being allocated? There you get into basic economics, and the Bureau of Public Roads hauls out maps to answer you. Those maps have been used before. State highway commissions sometimes have to be "shown."

Of those bureau maps one in particular is unique. Probably there is not another one like it in the country. It shows the exact location of the center of production of each of thirty-two of the necessities of life. That center, too, is a scientific center, and not merely the apparent focus. It has been established as is the center of national population. That map shows, for instance, that the center of gold production is near the little town of Stockton, Utah; that the center of cotton is near Holy Springs, Mississippi; that the iron center is in Minnesota, to the northward of Duluth; that the soft coal mining center is in north-central West Virginia; that Milwaukee, having lost one center of production by a certain Congressional act, still has the cheese-brewing center nearby; that the center of automobile production is where Henry Ford lives; and so on.

Then there is another and an even odder-looking map. This one looks like the work of a futuristic painter, demented and armed with an air brush. It's all spotted up, astonishingly so, and mottled and speckled in the most unexpected places. The spots and the mottles and the speckles represent

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Publicity—Why and How

By CARL H. GETZ

THERE WAS A TIME when advertisers were not especially timid about asking newspapers for space without giving much in return. Advertisers and publishers can easily recall when newspaper space was regarded as something to be had for diplomatic asking. Then came the natural reaction. Advertising came to be recognized as a commodity—something to be bought and sold. Today reputable advertisers and advertising agencies scrupulously refrain from seeking free advertising. But advertiser, agent and publisher agree that advertising to be most effective must be supplemented by what is described in various ways—promotion, exploitation, publicity.

To illustrate:

Manufacturers of bicycles organize to revive interest in bicycles. Promotion counsel is obtained. Exploitation methods are studied. The advertising agent proposes advertising. Sound advice. Supplementary publicity also proposed. Here is where opinions clash as to what is meant by supplementary publicity—and just what its value is.

There are those who recall the day of the circus and the theatrical press agent. Usually he was a faker. He was responsible when the actress "lost" her jewels and got a front-page story in the morning newspaper. That was press agent stuff. He was always busy creating freak news. To illustrate: The pipe-smoking habit is growing slightly among certain classes of women abroad. It would be just like our press agent to have the actress he was exploiting appear on Fifth avenue smoking a pipe. He would see, too, that the newspapers were informed about her "stunt." Publicity would be obtained. But it would be doubtful publicity.

The old-time press agent still exists, but his activities are confined largely to the motion picture world. Even the theatrical and the circus press agents today engage in rather sober and sane enterprises.

When President Wilson and Senator Harding were given bicycles and the story of their acceptance of the gifts was printed, we had an example of press agent methods. Contrast that with what might be described as the work of the modern publicity man.

A certain factory town had a transportation problem. Difficulty experienced by employees in getting to and from work resulted in real unrest. A plan was evolved whereby employees could obtain bicycles at a minimum cost. Payments extended over several months. Both a transportation and a labor problem was solved. Bicycles did it. Certain manufacturers of bicycles regarded the achievement as news. The advertising agent proposed advertising. Others said that what should be done was merely to make the news available. Newspapers would print the story if provided with the facts. The news was helpful. It was constructive. It was offered to the newspapers and was printed.

Right here there are certain questions that will be invariably asked. The newspaper advertising manager and the advertising agent will want to know whether the suggestion that this experience be made known through the medium of news columns, rather than through advertising, resulted in a discontinuance or a reduction of advertising. And the answer is that it did not. The subject matter of the advertising was changed; that's all.



Making coffee is a real household art—at times almost a lost art

THOSE who said that this experience of a manufacturer in solving a transportation and labor problem by the use of bicycles was of news value added this: Advertising is paid for. Those who read it know it. That knowledge exerts some influence upon the reader. The reader accepts the advertising as the truth, but he is influenced, too, by the fact that money is paid to convey that information. Just exactly how it influences him can't be answered.

News space cannot be bought. The reader knows it. The reader's reaction to what he reads in the news columns is distinctly different from what he reads in the advertising columns. One proof of this is shown in the fact that some advertisers give their advertisements such a typographical dress as to make them appear to be news. Another proof of this is that most newspapers will not permit in advertisements the use of type identical to what is used in the news columns.

Most advertising men insist that the best advertising copy is that which has a distinct news value. In that belief there is genuine merit.

The point I want to make is that the old-time press agent is more in disrepute today than ever. The publicity man of today is concerned largely with making legitimate news available, of submitting that news strictly upon its merits as news and finally of creating legitimate, sane, helpful news. Trying to determine exactly the relative value of advertising and this supplementary news is like trying to argue that the Grand Canyon is more beautiful than Niagara Falls. There is no basis of comparison. The argument gets nowhere.

Look at the experience of the rice millers. During the war rice was used extensively as a substitute for potatoes. People don't want a substitute when they can obtain the thing it is substituted for. When potatoes began to be plentiful the consumption of rice fell off.

Housewives regard rice pudding, wrongfully so, as a dessert of last resort. When they don't know what else to make they make rice pudding.

A man goes into a lunch room. After his lunch he wants a cheap dessert. If he doesn't know what else to order he can always get rice pudding.

In the mind of the average American housewife rice has always been associated with squatting coolies.

All of which isn't to the best interests of the rice millers. The attitude of the housewife should be changed. Educational work must be done. The consumption of rice must be increased. How? By advertising. Yes, but not by advertising alone. And here again we encounter the little group with ideas of their own.

This group approves of advertising, but is not content to stop there. It insists that a little story on the women's page of a newspaper giving the famous rice recipe of the chief chef of the Plaza Hotel, New York, has its value in selling rice. Mark you, the group does not propose discontinuance or reduction of advertising. Advertise by all means, they advise. But don't stop there, they urge you.

This group will tell you that prizes can be offered to girls in high school and academy departments of home economics and domestic science for

best rice dishes. Such contests create news. The handling of that news should be expedited, you are told. Don't leave the entire responsibility to the newspaper to get the news. Get the news to the newspaper in the form wanted.

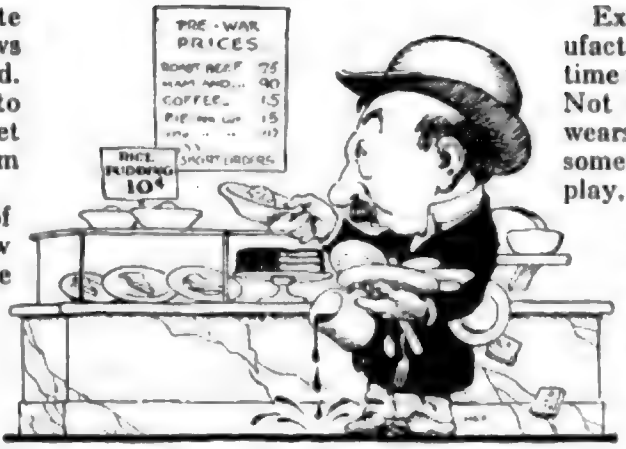
Take a glance at the experience of the piano manufacturers. They know something about the growth of the reproducing instrument business. They know pretty well how many pianos are turned in in exchange for phonographs, player pianos and the like.

What does this mean for the future of the piano business? Is there any longer an incentive to parents to have their children take up music lessons? Is this an advertising problem? Yes, in part. In part, because what is needed in addition to advertising is a campaign of musical education to call attention of the public to the decline of music, to the cultural value of musical education, to the worth of personal musical accomplishments. Can the manufacturers engage in that educational work? Yes and no. Yes, because they can help to finance the enterprise. No, because it is their business to sell pianos. The ones to lead the movement are great musicians, whose altruism can not be questioned.

What should be done is to get some nationally known patron of music to form a committee of musicians of great reputation and lovers of music which will serve as a nucleus for a nation-wide organization interested solely in the advancement of the musical arts. This organization will be instrumental in obtaining endowments for schools and colleges of music. It will make possible for institutions offering musical instruction to handle larger numbers of students at reduced tuitions. It will encourage expanded courses of musical education in the public schools. It will stress the importance of the cultural value of musical education.

There are those who will say that such a movement would fail completely if it became known that the basic purpose of it was to sell more pianos. Of course. But that isn't the fundamental purpose of the movement. Its real object is the furtherance of the musical arts. It would be a meritorious movement. Just because the movement would result gradually in the increased sale of musical instruments would not detract one bit from the worth of the enterprise.

Study the problem of the coffee roasters. The advertising of the coffee-substitute people has made genuine inroads in the coffee business. The so-called harmful effects of coffee have been much advertised. What is to be done to meet the situation? Advertise, of course. Yes, but don't stop there.



If he doesn't know what else to order he can always get rice pudding

To illustrate: Making coffee is a real household art—at times almost a lost art. Favorite methods of coffee making are fit reading matter for women's pages.

Have you ever examined one of the pledge cards of the Women's Christian Temperance Union? Have you ever noticed that coffee is described on that card as a "harmful beverage?" What would you think of that if you were in the coffee business? What is to be done about it? Advertise? Well, possibly. But wouldn't it be wise to take necessary steps to have that card corrected and then to see that the public is thoroughly informed of the change? How inform the public? Advertise, but don't stop there.

DO YOU happen to know that a certain women's organization virtually controls the publication of textbooks on physiology used in our grade schools and that those books contain a chapter on narcotics and that in that chapter are real body blows at coffee? Suppose you deal in coffee. What are you going to do about it? There is no need to go into details. Can't you see that you have a two-fold method of combat—advertising and supplementary publicity?



There was a time when an umbrella was a mark of respectability. Then it came to be a mark of provincialism

Examine the experiences of the manufacturers of suspenders. There was a time when every man wore suspenders. Not so today. Today the man who wears suspenders usually is regarded as somewhat provincial. Look at the play, "Samson and Delilah," now playing in New York, in which an ordinary pair of suspenders serves to differentiate a man about town, if you please, from a man who can't and won't keep up with the times. Where does this idea originate? There really is no sense to it, but the idea is there just the same. What's its source? Have the belt manufacturers been on the job? You can guess. If you live in New York and have to ride in subways and elevated trains you will see from time to time car cards urging you to "wear suspenders." You are told to be comfortable "from the waist up." Are you urged to use any particular make of suspenders? You are not. What influence has advertising of this character? That's not easy to answer, but almost anybody would guess that manufacturers of suspenders are paying for the advertising.

Other businesses have had experiences similar to that of the suspender industry. Take the umbrella business, for example. There was a time when an umbrella was a mark of respectability. Then it came to be a mark of provincialism. It became a fad to scorn umbrellas. Umbrella manufacturers have that to contend with even today. The same is true of the rubber overshoe business. A popular fad dictated "no rubbers." Rubber companies today are working to break that down. The same is true of the gum business. Chewing of gum in public is regarded as a vulgarism. That's not good for the chicle business. Gum manufacturers are busy.

Suppose you grow cranberries for a living. Cranberries have become such a part of Thanksgiving and Christmas that the cranberry business has become a seasonal one. Is there any reason why cranberries should not be used at least eight months of the year? None whatever. Well, then, what's to be done? Advertise, but don't stop there.

Cranberry recipes obtained from famous chefs are good copy for women's pages. This material should be released at times of year when cranberries ordinarily are not used.

Suppose you are a manufacturer of canned goods. You know that the average American housewife is still somewhat suspicious of canned goods. If she can get them she will always prefer fresh goods. You know that canning has been reduced to a science. You know, too, that in buying canned goods the housewife takes no more chances than in buying fresh goods. What's to be done to build up the

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Electricity Goes After Quota

The Story of a City-Wide Educational Campaign and What It is Doing to Promote the Sale of Electrical Appliances

By WILLIAM C. CAMPBELL

IN THE UNITED STATES last year the retail sales of electrical appliances, exclusive of wiring and lighting supplies and such special devices as illuminated signs, amounted to $223,250,000. Possibly the *World Almanac* and the United States Census Bureau—if they don't already know it—would be interested in that. But the figure, standing alone, cannot be expected to thrill anybody else. Only when it is subjected to certain calculations does it begin to bid for a wider interest.

The population of the United States, roughly, is 110,000,000. Now divide that $223,250,000 by 110,000,000 and you get a quotient of something over two. For convenience, call it an even $2. That $2 represents the average quantity of electrical appliances purchased by each individual consumer in the country last year. If you are a retailer of electrical appliances and if you know the population of your city and town and the proportion of the community's electrical business that you should get, you can start with that $2 and figure on the back of an envelope how closely you approached your sales quota in 1920.

It was just such a mathematical process that started something in Cleveland a few months ago. J. E. North came to town to take the job of commercial agent for the Cleveland Electric Illuminating Company, which is the central station utility of the city. In a fraction of a year his presence in Cleveland had accomplished two things: about half the population of the city, seemingly, had come to call him "Jack;" and the electrical manufacturers, distributors, contractors, wiremen and retailers of electrical appliances had been joined in one, big, city-wide, aggressive, $50,000 campaign to sell the people of Cleveland and environs to the number of one million on the use of things electrical. And almost any business man, whether he be a manufacturer, wholesaler, jobber or dealer and whatever be his "line," might conceivably be interested in the technique and the method of that big selling job.

The situation, briefly, was this: The Illuminating Company, which, because of its interests and because of its facilities and its resources, might be expected to take the lead in all efforts to promote the use of electricity, had grown so big and the makers and distributors of electrical appliances had become so numerous that the central station on the one side and the manufacturers and sellers on the other had lost direct contact with each other. Mr. North came into the employ of the Illuminating Company to create the job of commercial agent and to re-establish that broken contact.



"I did not time the sale, but the transaction was completed, I should say, in twelve minutes"

THE electrical contractors, wiremen and retailers, it is true, had their organizations. But the organizations were associations within those respective divisions of the trade. There was no federation and, in the absence of federation, of course, there was no united effort.

The first step was the formation of that theretofore non-existent federation and it took the form of the Electrical League of Cleveland. In the league were joined the manufacturers, the jobbers and the Illuminating Company individually, and these organizations: the Electrical Contractors' Association, the Residence Wiring Association, the Electrical Dealers' Association and the Lighting Fixture Dealers' Club. The affairs of the league, it was arranged, were to be administered by a board of directors, a members' council and the necessary standing committees. The league established permanent quarters on the top floor of a hotel building.

Thus constituted and thus established, the league went to work. Cleveland was below its quota in the sales of electrical goods. An analysis early revealed the cause—lack of education. Primarily, the public was not sufficiently educated in the use of electrical appliances. Secondarily, the electrical appliance men themselves were under-educated in the use of modern business methods; at least they were not applying those methods to any amazing degree.

Besides, there had been an absence of effective co-operation among the several divisions of the trade and even among the units and individuals within those divisions. This absence of effective co-operation among electrical merchandising men, by the way, was a condition by no means peculiar to Cleveland. To be specific and to cite just two instances:

Consider the electrical ironing machine for household use, a comparative newcomer on the appliance market. The manufacturer of that machine knew how an electrical ironer, unusual and even incongruous as it might at first seem as a household utensil, could be sold to the average householder. Before he started making the machine the manufacturer had to determine whether it would be salable to the possible ultimate consumer, and in deciding that question he had to figure out just how it might be sold. But did the manufacturer devote any great amount of thought and effort to the job of teaching the retailer what he, the maker, had learned about selling the machine to the householder? Well, not any tremendous amount.

Consider the average electrical contractor, figuring on a household wiring job. What is his main purpose? To win that job. To win it against competition he must hold his estimate to a minimum. Extra outlets in walls and baseboards—the extra outlets that are essential if that household is to be sold on the use of electrical appliances—cost extra money. Result: the average electrical contractor in Cleveland, just as do his brother contractors in many another community, laid out each job with an irreducible minimum of outlets for lighting fixtures. And thereby

be raised another obstacle to the sale of electrical goods.

The selling job for the league, then, was two-fold, and both of its phases, it was seen, were to be educational. One phase was to be directed at the public. The other educational phase was to be directed at—the league, itself!

Thus was born the Cleveland Electrical Development Campaign. To finance that campaign there was raised that fund of $50,000. The fund was budgeted and the campaign was laid out as to divisions as follows: general publicity, $10,000; story contest, $5,000; scholarship contest, $5,000; modern electrical homes exhibit, $12,000; industrial lighting exhibit, $8,000; school for salesmen, $5,000; office salaries and equipment, $5,000.

General publicity, of course, constituted a matter to be taken up with the editors of the newspapers. The Cleveland papers had had "electrical pages." But those pages had been filled with—well, just filled with almost anything that had anything, however remote, to do with electricity. Much of the "copy" was technical beyond the understanding of the average lay reader; little of it had any local interest. First, then, the newspapers were sold on de-technicalizing their electrical pages and printing local electrical news. In this textual transformation the league gave aid by furnishing the papers with local electrical information.

Next it was necessary to enlist the aid of the newspapers specifically in the two contests, the story contest and the scholarship contest, two phases of the campaign that were to be conducted directly through the public prints. Finally the newspapers were enlisted in the campaign as a whole, to the end that, by giving intelligent publicity to all of the activities of the league, they might aid in making business in Cleveland better.

THE public's first contact with the electrical development campaign was through the story contest. Announcement was made through the newspapers that a $65 electric vacuum cleaner would be given as the first prize and a $10 electric iron as the second prize for competitive letters on the advantages of the use of an electric washing machine in the home. That first announcement brought in 166 letters. The prize-winning efforts, of course, were published with due display and another contest, centering about another electrical appliance, immediately got under way. The story contest was designed to be divided into weekly stages, with a new contest and a new set of prizes each week. When the letter-writing warfare ends—it is going on now with increasing fury—it will have centered about every electrical appliance in every room in the house, from the kitchen to the vestibule and from the basement to the attic.

"Incidentally," Mr. North pointed out, "besides awakening public interest in electrical appliances, those letters are having an effect that we hadn't anticipated. Many of them reveal ingenious thought; they are admirably done and accompanied, frequently, by drawings and blue prints that might have come from the drafting table of an engineer. They are opening *our* eyes to new uses of electrical equipment and to new sales possibilities!"

The scholarship contest, more ambitious in conception, broader in scope and planned as a supplement to the story contest, was just getting under way when this article was written, early in January. First, there was to appear in the newspapers a series of twenty-six electrical lessons. Each was to be not more than 850 words in length, written in non-technical language by a volunteer specialist from among the league membership. Each was to deal with some phase of the subject of electricity and its uses that affects the average man and woman. Supplementing the newspaper publicity, booklets were to be distributed among the 30,000 students in the public and parochial high schools of Cleveland, from among whom would arise the scholarship contestants. At the end of the course of published lessons, high school students were to be invited to enter a competitive, city-wide electrical examination that would cover the lessons and that would have, as its capital prize, a four-year scholarship, worth about $800, in the Case School of Applied Science in Cleveland, and some thirty-three additional prizes



ranging in value from $200 down to $25.

"What's the value of that?" I asked Mr. North, referring to the scholarship contest.

"Inducing people to think about electricity and its household uses," he explained. "With the contest we expect to interest not only the contestants, but their parents and older brothers and sisters. Besides, we are looking forward to the time when these high school students will have grown up and will have acquired homes of their own and thus become customers for electrical appliances."



Typical window display in a Cleveland electrical appliance store. An expert display man trims the windows for a stipulated sum for each square foot of window space

One way to sell householders on electrical possibilities is through the printed word, as in the story contest, the scholarship contest and the general publicity that will attend the whole Cleveland campaign. Another way is through demonstration. In the spring of 1921 there are to be opened in different parts of Cleveland three modern and model electrically equipped residences as public exhibits. The houses, which are to cost $10,000, $30,000 and $70,000, respectively, are being erected by real estate operators. They will be furnished and decorated throughout by Cleveland furniture and decorating concerns, and they will be wired and electrically equipped by the Electrical League and in accordance with the league's enlightened standards of design and equipment. Then they will be thrown open for public inspection and for personal demonstration by the league's own representatives.

So much for the education of the public. But the curriculum of instruction is not yet complete.

Industrial lighting—the illumination of offices, stores, shops, factories—is a closed book, an uncharted sea, an unexplored continent, or whatever figure you prefer to symbolize something almost untouched by investigation and study and thought, and something in which all three of these are most urgently needed. Suspend a 50-watt electric light bulb four feet above the lathe of a workman in a shop. Permit him to work with that arrangement for a while. Then lower the bulb two feet; in other words, diminish the distance between light and machine by one-half. The workman does better work. Why? Because he has twice as much light? No; because he has four times as much. That, of course, is in accordance with one of the simplest laws of the physics of light. Yet the general manager or the shop superintendent probably has forgotten that law, or never has thought of applying its principle to improving the illumination of his plant. There are other laws and principles of illumination, some of them infinitely simple and some infinitely complex, that he has forgotten—or never known. He needs education.

IT is for the education of Cleveland employers that the Electrical League is to set up at its headquarters, early this year, an industrial lighting exhibit, a laboratory scientifically equipped with light-measuring devices for the visual demonstration of industrial illumination as it should be. Employers on a wholesale scale—some 1,500 manufacturers, for instance, already have been listed—are to be invited to a series of dinners in the league quarters. Each of these dinners is to be followed by a lecture and a demonstration, by some recognized expert, on industrial lighting. To supplement these lectures and demonstrations and to tie this phase of the campaign to the marketing of electrical appliances, the league is to give the services of lighting engineers to employers who ask for personal surveys of their plants and recommendations for solving their lighting problems.

And now there remains the Electrical League and its own self-education. First there are the matters of broad instruction, fundamental things such as the relations among the divisions of the electrical trade, the principles of business management, salesmanship and the like, that are of interest and have some effect upon the commercial lot and condition of all members of the league. Then, too, there are the matters of specialized education, "brass tack" instruction that an individual member may apply to his own individual business or to his own day's work.

Every month, on the evening of the fourth Wednesday, the league has a general educational meeting. At this gathering it sits—figuratively, at least—at the feet of some authoritative preceptor of modern-day thought and practice and listens to what he has to precept. At these meetings such subjects as these are to be covered: ideal relations between the jobber, contractor and dealer; salesmanship; recent progress in electric-fixture design; advertising; inside information on the problems of the manufacturer, jobber, central station, contractor and dealer; window display and store arrangement.

Window display and store arrangement—that's where the retailer lives. And after all, the man who holds the key to the whole merchandising situation, whether the merchandising be of electrical appliances or "eating" apples, is the retailer. The solution of his problems today constitutes the biggest and most vitally important task confronting the manufacturer, the wholesaler and the jobber whose goods he sells. The Cleveland Electrical Development Campaign has stopped to think about that; and then has gone ahead and done something about it. The campaign has undertaken to help the retailer with his problems. It has gone into his place of business with him and has started with his display windows and gone through his store to his own little private office back at the rear end.

The display-window end has not been so serious. Admittedly, electrical goods the country over are generally well displayed in the windows of the retailers. Electrical appliances lend themselves readily to beautiful, instructive, or spectacular and attention-drawing effects. The majority of dealers handling them have availed themselves of those inherent advantages of the merchandise. But Mr. North—yes, the same "Jack" North, and he is chairman, by the way, of the Electrical League's members' council—Mr. North believed there was room for improvement in electrical window display in Cleveland. He thought out a plan by which improvement could be effected. That plan, because it proved not only self-starting, but self-propelling and self-sustaining, is interesting. Mr. North laid his plan before an expert window dresser whom he happened to know. C. B. Moore, then

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Get Him Where He Lives

By GEORGE W. GRAY

MR. BENJAMIN BUCKINGHAM led a double life. In town he was the imperious merchant prince. In the country he was the tolerant ruralist. For five days of the week he was the guiding genius and the driving force of Buckingham's Palace, a many-floored department store in the heart of the big city. But on Saturday he was the patient and yet ardent disciple of Linnaeus, Luther Burbank, Peter Henderson, Atlee Burpee, Ferry, and all the other prophets, priests and kings of the quiet realm of horticulture.

In other words, Mr. Buckingham was a gardener. And he was a gardener, not by proxy nor by virtue of his hired man's purchased industry, but a gardener by the sweat of his own brow and the labor of his own hands and the bending of his own back.

As he rode into town this Monday morning Mr. Buckingham was feeling as fit as a fiddle, and quite as tuneful. Even the usual bantering among members of the Carping Country Club, who monopolized one end of the smoking car with their eternal talk of golf, did not rasp his sensibilities this beautiful spring morning. He was content—"quite content," to quote the name of one of the several varieties of peas which he cultivated.

As he watched the landscape speeding past the car window and reflected on the week-end accomplishments, it occurred to him that the instrument most directly responsible for his feeling of complete satisfaction was his new wheel-hoe. And that reminded him of the letter he had received from the implement dealer who had sold him the hoe. He pulled the typed communication out of his pocket and read it over again.

Mr. B. Buckingham,
Hundredacre, N. Y.

Dear Sir:

We certainly do not consider it any minor matter that you found the cultivator out of alignment when it arrived. We aim to please every customer, and when we do "fall down" we want to know the fact as soon as possible so that we may make good without delay. We thank you therefore for your very frank letter, and are sending you by special delivery today a new drag bar and also five nuts to fit your cultivator. We think they will take care of the ill-adjustment which you found in the implement and supply the missing parts, and that you will now be able to attach and use the hoes, cultivator teeth, trenchers, and other attachments without difficulty. We have carefully tested these parts before shipping, to make sure they are in perfect condition, and have packed them to insure against any further wrenching or injury in transit.

We can realize how a matter like this will hold up a man's gardening unmercifully, and certainly apologize for the delay which has been caused you. We hope it will never occur again, and we mean to see that it won't.

Cordially yours,

THE IMPLEMENT SUPPLY CO.
By James Stephens

This letter had reached him Saturday morning, only two days after his "very frank letter" complaining of the condition of the hoe; and in the same mail had come the parts themselves. They fitted to a T—the new drag bar was exactly level, and not twisted askew as the old one was—and the nuts were just the right size. As a result, Mr. Buckingham had been able to garden Saturday without hitch or hindrance, the weather was perfect, the new implement worked beautifully, and he not only finished the schedule he had set for himself but had a good slice of time to spare and was able to plant some dahlia roots that had been neglected for weeks.

It was truly a red-letter day in his garden calendar. And its success was due, he admitted, to the prompt attention of the implement company and their quick shipment of the needed parts. It was a service to delight the heart of a gardener, jealous of every hour of the precious spring.

Service! Service? This thought interested Mr. Buckingham not so much from a horticultural as from a business viewpoint. He picked up the letter and studied it carefully. Yes, it was service—adjustment service of a high order. For it did explain without effusive detail, it apologized for the inconvenience without stereotyped insincerities, and it made no promises that were not kept. There was no evasion, no attempt to shift responsibility. In fact, full responsibility was assumed, and yet the keen-eyed merchant noted with a discerning smile the implication of that phrase, "wrenching or injury in transit." In other words, the railroad did the damage but that's no fault of yours and we'll cheerfully make good. Finally, there was the warm-hearted sympathy of the final paragraph, and appreciation of the viewpoint of the man of the soil. It left a pleasant taste in the memory. It made a gardener wish to keep on dealing with



He was a gardener, not by proxy nor by virtue of his hired man's purchased industry, but a gardener by the sweat of his own brow and the labor of his own hands and the bending of his own back

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people who so clearly understood his problems.

Mr. Buckingham, in fact, was congratulating himself that he had got in touch with these people. He had seen their advertisement in a horticultural paper, and the illustration of the wheel-hoe had so appealed to him that he had ordered direct, rather than try to get it wholesale through one of his buyers, as he usually did with things that interested him. Now he was glad to be one of their customers. And, he reflected, the thing that had made him glad was just this letter and the service that had gone with it. The accident of a "wrenching or injury in transit" had been made the means of winning a customer—not only of reselling him on this particular article, but of making him a friend for all time.

Mr. Buckingham is not exceptional. Most of us lead double lives, in that most of us have a vocation and an avocation—something that is our daily work, and some other interest or activity that is our hobby. It may be golf or fishing or photography or dahlia growing or just plain gardening—or it may be some intellectual preoccupation, such as chess or numismatics or book collecting. Whatever it may be, it is highly important to the hobbyist himself, and it is not to be lightly regarded by any person desirous of his good will. You may slur or slight his vocation with impunity, but beware of any reflections on or ignorings of his avocation. If you would tie him to you with hooks of steel and cords of everlasting remembrance, be appreciative of his hobby, take an interest in it, show some intelligent knowledge of it. No matter how keen and efficient he may be in his business or profession, no matter how successful, his hobby is where his heart is. There is his tender spot. Touch it, and you get him where he lives.

Of all dealers in merchandise there is none that has so large a clientele of hobbyists as those that sell garden seeds, plants and supplies. For every man who plays golf or collects art there are a thousand who tickle the soil. Perhaps 80 per cent of the customers of a certain seed house in the East are gardeners of the avocation class—men who make their livings in town and work their gardens for the pleasure and for the excitement and pride of production as well as for the garden sass itself. This house issued an expensive catalog and advertises extensively in the newspapers and magazines. Its approach is good. It makes a fine first impression. If you send your order early in the spring you may expect fairly prompt and satisfactory delivery.

But let some hitch come somewhere; then the machine begins to creak and to stick. Let some little matter come up for adjustment, and it goes to the complaint department. Then it is truly on the lap of the gods. As an example, take this incident:

A customer in Westchester county sent in an order for his spring supply of seeds. Among the items requested were one pint of Knott's Excelsior peas and one pint of Prosperity peas. When the order was delivered by parcel post it was found to contain two pints of Prosperitys and none of Knott's. The customer immediately wrote the seedman a letter calling attention to the



"By parcel post we are sending you another Canna bulb and another package of Limas, carefully selected. With them go our best wishes for the right sort of luck this time, and an altogether successful garden"

mistake, asking that the overlooked variety be sent immediately, and in the same mail he returned by insured parcel post the extra pint of Prosperitys.

What happened? A week passed, and nothing had come. He wrote another letter, and three days later the desired parcel arrived. But no letter came, no explanation, no apology for the delay, no personal word from a merchant who for years had been receiving orders from this customer.

IF there had been somebody in the "complaint" department who could conceive of his duty as that of rendering service and building good will, instead of merely as answering the complaints of bothersome persons out in the country, this seedsman might still have that Westchester gentleman among his patrons. A knowing soul in the "complaint" department would have remembered that peas are planted early, that Knott's is an early variety and probably would be put in first, that a gardener whose spring planting was held up by an error in the shipment of peas needed really more attention than the tardy dispatch of the right variety.

Some personal word was called for; but none was sent. As a result, the customer was more sensitive the next time a mistake occurred, and at the third offense he withdrew his allegiance altogether and transferred his business elsewhere.

Another seedsman advertised a special grade of selected potatoes, pricing them in his catalog at $1.60 a peck. The potatoes were described as of a very high quality, free from disease and individually wrapped in tissue paper to insure protection. These exceptional seed potatoes caught the eye of a new commuter who was just beginning gardening, and he sent in his order for a peck. The idea of potatoes selected by hand and wrapped like oranges appealed to him. He figured he'd have the prize spuds of the neighborhood, and he wanted that distinction.

Here is the letter he got in answer to his order:

Dear Sir:

We acknowledge with thanks receipt of your kind order of April 2nd for vegetable and grass seeds, for which you remit $3.05. The price of 15 lbs. of Valley Farm Green Mountain potatoes is $2 and you have only remitted $1.60 for same, therefore making a shortage of $0.40 which we will be glad to receive at your earliest convenience in postage stamps.

Truly yours

Did he send the 40 cents at his earliest convenience? He did not. He wrote a letter saying, "if I sent too little it was because I was misled by your catalog (see page 28). I am not willing to pay any more for a peck of potatoes, and request that you return my $1.60."

Even then the seedsman had a chance to save a customer and perhaps rescue the sale, had he only used the common gumption that he would have employed in face-to-face dealings. Why had the price been boosted? That was a natural question, and a fair question, but the seedsman made no effort to answer it. In fact, his letter seemed to imply that the customer was at fault in sending the short remittance. A cordial acknowledgment, something in the tone of the letter received by Mr. Buckingham in regard to his wheel-hoe, a letter that frankly explained the situation and grasped its opportunity to resell the goods, might have turned the trick. I think that if Mr. James Stephens, of the Implement Supply Company, had been handling the correspondence he would have sent some such missive as this:

Dear Mr Blank:

We are very glad to receive your order of April 2nd for vegetable and grass seeds, and acknowledge receipt of your check for $3.05 to cover these goods. The order for the potatoes must be transmitted to the farm from which we secure them as we act merely as agents in disposing of this variety; and in this connection I am sorry to have to tell you of a raise in price that has occurred since our catalog was printed.

As you probably know, there has developed an unprecedented demand for seed potatoes, and at the same time supplies are short. As a result of this combination of circumstances, the growers have raised their price. Valley Farm potatoes are therefore quoted at $2 the peck instead of $1.60 as advertised in our catalog. We shall be very glad to have your order filled for the amount which $1.60 will buy; or we should be happy to receive

(Continued on page 37)

Help Yourself to the Market

One Manufacturer Does It by Inventing New Uses for His Product and by Distributing in Units Popular With Grocers and Consumers

By FRANK E. FEHLMAN
President, Churchill-Hall, Inc.,
New York City

THOUSANDS OF SALESMEN, both retail and wholesale, are "flabby." Hundreds of sales managers have found themselves unable to cope with the new buyer that for the past six months has refused to buy. Yet you will find many manufacturers in dozens of different lines of business that have developed new selling plans or new merchandise and are now booking orders and making shipments.

One of the largest hosiery manufacturers in the South went to his jobbers a few months ago and told them that his entire sales force was at the disposal of jobbers. A great many jobbers accepted the services of these men without any charges to themselves, and greatly reduced their stocks. In territories where the jobbers did not use these salesmen the manufacturer was compelled to go to the dealer direct. As a result, he has kept his mills running.

As soon as sugar started to tumble, the executives of the Boston Woven Hose Company, which makes Good Luck jar rings, made up their minds that they would do the biggest business in 1921 that they have ever done, and as this article is being written over one-half their output is sold for the year 1921. C. A. Weed & Company, of Buffalo, dealers in men's clothing, have gone to manufacturers who are overstocked and taken their merchandise on consignment, with the result that they have helped more than one manufacturer to get ready cash and have also kept their gross business ahead of last year's. An advertising agent of New York City recently sent out two hundred and twenty-five letters. From these he obtained seventeen inquiries from some of the largest manufacturers in the East. In most cases the shock of the consumer's refusal to buy has temporarily paralyzed the selling ingenuity of retail salesmen, jobber salesmen, wholesale salesmen and sales and advertising managers.



PHOTO BY HARAY LEVY PRODUCTIONS
The class is making cookies. The recipe, of course, calls for Oldtyme Molasses

During 1919 and the first three months of 1920 it was a question of allotting merchandise, and more than one executive and salesman still evinces the snobbishness developed during those easy days.

Any housewife can remember the price she paid for sugar and the difficulty she experienced in getting quantities at any price. Most of the sugar people had an idea that this situation would continue for many months and that the decline would be gradual, with the result that most of them have had to take tremendous losses and have not been able to regain their gross amount of business, because they had nothing to sell but sugar.

A notable exception to this statement is Arthur Muldavin, formerly connected with the Sugar Products Company and P. C. M. Corporation, and now president of the Old Time Molasses Company. This young man, who has spent twelve of his twenty-eight years studying sugar, molasses, honey and all the by-products produced from sugar, was convinced that some new product would have to be obtained if he were to increase the molasses business and keep his selling organization intact.

Men who have anything to do with farms will remember the rich, heavy cane molasses which Mr. Muldavin introduced to farmers during the war. This product is used to feed with rough foods and is used to a great extent in place of wheat, corn, rye and oats, not only as a finisher but as a conditioner and a fat producer. Ordinary straw and cheap hay become a luscious delicacy to the dairy cow, the horse, the mule and even the hogs when the molasses is poured over it.

During the last year of the war many substitutes were offered to women in place of sugar. Mr. Muldavin foresaw that in the very near future the consumer would be more independent than during the war, and as a result would not always buy what the storekeeper offered. Women, in particular, are good shoppers and as most grocery stores sell the bulk of their products to women, Mr. Muldavin wisely reasoned that a new product would be welcomed by the average housewife who wants to save money and yet produce the best in foodstuffs.

Mr. Muldavin began the study of the molasses market and decided that he was going to have the best molasses he could find for consumers. With that in mind he proceeded to the Isles of Barbadoes and St. Kilts. On these islands molasses is produced just the same as it was three hundred years ago. The big, old-fashioned windmills that do the grinding are identical with models constructed three centuries ago. Huge open kettles are used for boiling the cane and instead of being made from the "sugar leavings" the molasses is made from the fresh cane juice. Today there is practically no open kettle molasses anywhere except on the Isle of Barbadoes.

In the modern sugar refineries in Louisiana, Cuba, Porto Rico and

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other tropical localities, molasses is a by-product. The huge steel rollers that grind the cane take out every ounce of available sugar, and the success of these mills is largely due to the fact that when the mill is through with the stalk of cane, it has performed its duty almost as thoroughly as a Chicago packing house, where "nothing is left but the squeal."

Most molasses represents the squeal. Exhaustive chemical tests were made of the Barbadoes molasses and samples were brought to the States and submitted to such authorities as Dr. L. B. Allyn, of Westfield, Mass., who for many years has tested all sorts of food products. Dr. Allyn's approval of a food product is usually sufficient to impress the best domestic science teachers, as well as the housewife who wants the best. Samples of the product were also submitted to Mrs. Ida Bailey Allen, who conducts one of the finest cooking schools in the United States. Mrs. Allen developed dozens of new recipes that can be made only with "Oldtyme Open-Kettle Molasses," which is the new name Mr. Muldavin has given this remarkable product.

All of this preliminary work was started just before the sugar slump in July and August. By the time sugar had dropped to 8 cents a pound, Oldtyme Molasses was being sold in hundreds of stores in New England, and recipe books were being sent out by the thousands to housewives. Sailing vessels were bringing thousands of puncheons of this rich, live molasses to the States, just as it came to New England in the days before the Revolution. A new company had been formed, called the "Old Time Molasses Company," and Mr. Muldavin had been elected president. Plans had been completed, too, for a national sale of Oldtyme Molasses.

Not every concern can turn business somersaults and introduce a new product so quickly. Any new product offered to the consumer in 1921 will have to measure up to a high standard and have some feature or features that permit the salesmen to talk something besides price, which seems to be uppermost in the consumer's mind.

Grocers who sell Oldtyme Molasses are educated to point out that it is far superior to ordinary molasses for the housewife's use for the following reasons:

1. It is much sweeter. When molasses is a by-product of sugar-making, a great part of the sweetness has been extracted. Because most of the molasses now on the market has been blended, many current recipes call for the use of sugar also, in cake-making and other baking. This is because the ordinary molasses is deficient in sweetening power. Oldtyme has such a high percentage of sugar that it will make a dough or batter plenty sweet enough.
2. Oldtyme has a delicious characteristic flavor. Just as maple syrup has all the delicious flavor of the sap of the trees, so Oldtyme has the characteristic taste and fragrance of the sugar cane with all its tropical richness, suggesting the flavor of a sweet-juiced grape wine. This makes it suitable for use on the table. No housekeeper wants common molasses in her syrup cup, but Oldtyme is fully the equal of maple syrup.
3. Oldtyme is alive. When mixed in a dough or batter an active fermentation develops at once. This allows the housekeeper to omit baking powder in her cake-making, substituting only a little baking soda. This saves expense and makes a much tenderer and richer cake.
4. Oldtyme is free from sulphur dioxide and all other undesirable properties that caused the decline of the use of molasses in the household. At one time honest molasses was the big item in the grocery store. Oldtyme is bringing this condition back again.

The product is being offered to the consumer in three different ways to suit the grocer's convenience. The consumer can get it in her own container from the barrel or keg direct. A special pump draws and measures the molasses promptly and accurately. Those dealers that are not equipped to sell direct from the barrel are furnished fibre containers which they can fill at leisure. They are similar to the kind used by soda fountains for bulk ice cream and are furnished at cost. The Old Time Molasses Company is also equipped to furnish the molasses in permanent packages weighing 2½, 5 and 10 pounds.

When manufacturers take the time to investigate the requirements of the grocer and learn his wishes regarding the way he prefers to handle a product, either in bulk or canned or otherwise, they will not only save a great deal of time and money but they will gain for themselves the immediate friendship of the grocer. This method of distributing Oldtyme has made a decided "hit" with the grocer.

There is nothing spectacular or unusual in the method employed by Mr. Muldavin in getting his distribution. He picked out Springfield, Mass., Fall River, Worcester and other towns. A modest newspaper campaign was prepared; intelligent, well-versed salesmen of molasses and sugar products were put in the territories, the campaign was shown to the grocers and jobbers, merchandise was shipped and quantities of Oldtyme recipe books were given to each distributor, who in turn passed them on to every woman who visited his store. A motion picture was then produced, the film showing the mills in Barbadoes, the natives cutting down the rich sugar cane, the big open kettles, the crude windmill, the loading of the molasses and its final arrival in the States.

To inject human interest into the film Mrs. Ida Bailey Allen, the cooking



PHOTO BY HARRY LEVY PRODUCTIONS
Mrs. Ida Bailey Allen instructing a class in making Oldtyme Molasses Cake—a "human interest" scene from the motion picture filmed for the Oldtyme Molasses Company



PHOTO BY HARRY LEVY PRODUCTIONS

"Stills" from the educational film showing how Oldtyme Molasses is made

school expert, was induced to appear with some of her students so that women might see with their own eyes just how simple it was to prepare the many recipes she had worked out, using Oldtyme Molasses as the basis. The film was then booked in a thousand towns and cities in the East. Dealers are notified when the film will be shown, and salesmen precede the showing so that there will be no "slack" between the showing of the film and the actual sale of the molasses.

Probably the greatest weakness in selling plans for 1921 lies in the fact that executives, sales managers and advertising managers overlook the new uses of products that they now manufacture or changes in the product that would develop new uses or new selling arguments. People are going to be more interested in the uses of merchandise, its comforts, its better taste and its capacity to give them better social position, than they are in the actual quality, style, fit or finish of the article. Fifteen different kinds of molasses may all look alike; one may be just as sticky as the other, just as heavy, and all may have practically the same odor to the amateur, but when you taste them you find a marked difference. Mr. Muldavin is experimenting daily on new recipes, new uses for Oldtyme Molasses. Recipes are being revised so that Oldtyme forms the sweet part of the recipe and gives the product a better taste when it is served.

Salesmen cannot be depended upon to develop arguments. When feeding molasses was first launched for farmers, dozens of samples were sent to state agricultural schools, to live stock professors and to practical farmers, with the result that many new uses of products or food combinations were developed before a single salesman was employed. It is an easy thing for the average sales manager to depend upon his own organization for all his information, with the result that he often overlooks the biggest selling argument in his line of merchandise. Mr. Muldavin uses the outsider and the scientific individual before he goes to the practical individual.

One of the most astute bankers in America once said that although he insisted on character and integrity in a man, he would not give five cents for a man who was not resourceful. Resourcefulness will be at a premium in 1921, and there are very few firms but can take some one article they now manufacture, or add one to their line, and build up a temporary bridge into a new market that is not now actively cultivated. Oldtyme is a good example of this theory.

Ready for Emergencies

A NUMBER of business concerns in Tulsa, Oklahoma, have adopted the suggestion of the Exchange National Bank, of Tulsa, and are building up special reserves for emergency purposes. Each concern adopting the plan places to the credit of the reserve fund a specified amount each month. It may be a lump sum, or it may be a percentage of the monthly balance. Those using the latter plan place in the special fund from 1 to 3 per cent monthly, the average being 2 per cent.

The reserve account bears 4 per cent interest, payable semi-annually on the average amount on deposit.

"I am a convert to the cash reserve idea," says Dan Hunt, a Tulsa department store executive. "Although we have not had an occasion to fall back on it, I realize keenly what it will mean should an emergency arise. We intend to continue building up the fund."

"It's a new form of business insurance," says N. R. Graham, an executive of the Exchange National Bank, "and is bound to be a satisfactory one. Officers of the Exchange National have found there are always certain dangers confronting business, and that one of the greatest of these is lack of reserve capital.

"It may be a bad season, or perhaps mismanagement. The 'off' season would not be so dangerous to the life of business if there was reserve capital to carry concerns over to a better day. The danger of mismanagement is greatly reduced if the merchant has a cash reserve on hand before venturing into deep water—before trying unproved plans.

"Many firms have book reserves. But this kind of reserve will not meet unexpected market conditions, general slumps, or effects of political changes.

"The safe plan is for the business concern to protect itself with a cash reserve, or surplus, good for extra credit or for direct use during a period of depression."

Mr. Graham cites the fact that as a bank increases its loans it is required to increase its surplus. He believes a cash reserve is as necessary to business as the original capital. A reserve built up in fixtures, merchandise and good will, is important, but it isn't the same as cash in the bank.

"A cash reserve makes careful buyers; it permits taking advantage of markets," he asserts. "A stock reserve program not only encourages overbuying, but subjects the buyer to so-called 'style loss' and reduces his borrowing power because it decreases his quick assets."

E. W. Sinclair, president of the Exchange National, expects to see the plan adopted by many of the bank's biggest customers during 1921.

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In Account With Uncle Sam

By ALFRED L. GEIGER

AGAIN we have with us the income tax.

Its provisions change from time to time; there are new rulings, new exemptions, slight alterations in the blanks. But in the main it is the same income tax law, with the same problems, year after year, for business men. The 1921 forms distributed by collectors of internal revenue throughout the country differ little from those used last year. There have been a few minor changes—that is all.

There is nothing mysterious about making out an income tax return. Most of the confusion results from the taxpayer's accounting, or lack of accounting. If the accounting system reflects clearly the year's business operations there ought to be no difficulty in obtaining the data required by the income tax return.

For instance, every business executive ought to have a profit and loss statement placed on his desk monthly, so he can tell at any time just where he stands. Many business men already obtain such statements from their accounting departments, and those who do not should get the habit.

Let us take the imaginary case of Mr. John Merchant, owner of the Bon Ton Stores, Inc., and show how such a statement bears directly on the important subject of corporation income and profits tax returns.

Mr. Merchant entered his office on the morning of March 1, and asked his secretary what engagements he had scheduled for the day.

"Your only appointment today," replied the girl, "is with Mr. Banks, the auditor you got to help you make out your income tax return. He'll be here at 10 o'clock."

Merchant began to prepare for the annual task of giving Uncle Sam his revenue figures in the form that Uncle Sam demands. He drew forth the profit and loss statement of his business for the calendar year ending December 31, 1920. It showed in dollars and cents the amount of business transacted during the past year, and what it had cost to transact that business. What remained from the efforts of himself and his employees was about to be shared with the Treasury Department.

"Good morning, Mr. Banks," said Merchant, when the auditor arrived. "You are right on the dot, and we won't lose any time in getting this job out of the way. It always bothers me to make out my tax return. I don't mind paying the tax, but it's so complicated that nobody seems to understand it except possibly the experts."

He handed the tax auditor his profit and loss statement. It read as follows:

BON TON STORES, INCORPORATED

Profit and Loss Statement for the Year ended December 31, 1920.

Shoe Department:		
Sales		$27,233.12
Initial Inventory	$ 2,528.10	
Purchases	21,324.08	
	$23,852.18	
Final Inventory	4,377.38	$19,474.80
Gross Profit		$ 7,758.32
Clothing Department:		
Sales		$45,019.09
Initial Inventory	$ 7,505.70	
Purchases	9,720.00	
	$17,225.70	
Final Inventory	1,758.20	$15,467.50
Gross Profit		$29,551.59
Hat Department:		
Sales		$10,880.00
Initial Inventory	$ 1,827.04	
Purchases	5,012.50	
	$ 6,839.54	
Final Inventory	2,787.14	$ 4,052.40
Gross Profit		$ 6,827.60
Summary of Trading		
Shoe Department		$ 7,758.32
Clothing Department		29,551.59
Hat Department		6,827.60
Total Gross Profit		$44,137.51
Operating Expenses		
Rent		$ 2,400.00
Light and Heat		236.04
Salaries		15,254.38
Delivery Equipment		900.00
Depreciation		287.65
Supplies Used		180.00
Bad Debts		658.00
Packing		480.50
Advertising		2,680.00
Total		$23,076.57
Recapitulation		
Gross Profit		$44,137.51
Operating Expense		23,076.57
Net Profit		$21,060.94

"Let's begin with your analysis of operating expenses," said Banks, after glancing over the profit and loss statement. "It is in the expense items that most errors are found. Of course, there is no difficulty about the rent and light and heat, but what does the salary item include?

"It includes the salaries of every person employed in the establishment, as well as my own salary as president of the corporation," replied Mr. Merchant.

"That is all right," replied the auditor, "but it would be better to segregate the items to show the officers' salaries separately. This information should be given in Schedule A-13. The item of officers' salaries often causes a great deal of difficulty. The proper test, as laid down by the Treasury Department, is that they shall be reasonable payments for services actually rendered. This is one of the items of expense that the Treasury auditors scrutinize with great care to prevent the cutting down of taxable net income by excessive salary allowances. The reasonableness of the salary is usually a safe guide. If the facts warrant the salary that is actually paid for services rendered, a reasonable charge for such salary usually can be defended if attacked by the Treasury auditors, but if the salary allowance is excessive it is almost certain to be detected as soon as the auditor takes up the examination of the return."

Banks passed on to the next item. "What is this charge of $900 for delivery equipment?" he asked.

"That represents two second-hand auto trucks bought for use by our delivery service," Merchant replied.

"That is another error of principle that must be corrected," the auditor explained. "This item should be set up as an asset account under the heading of 'Delivery Equipment,' and not charged as an operating expense. But the depreciation of delivery equipment, which can generally be figured at between 20 and 25 per cent, is a proper charge to operating expense under the heading of 'Depreciation.'

"Now, one word of caution with regard to bad debts," the auditor continued. "They must actually be charged off on the books. Otherwise the Treasury will not allow them as bad debts."

"I'm all right there," replied the store owner. "A debt isn't a bad debt with me until it is charged off."

"Then let's see what this advertising account includes," said Banks.

Merchant explained: "It includes both newspaper advertising and miscellaneous advertising, such as donations to the Red Cross and other charities."

"If that is so, the account will have to be revised," was the auditor's comment. "For it must not include anything but bona fide advertising. Miscellaneous donations are regarded by the Bureau of Internal Revenue as contributions, and they cannot be deducted."

When these changes had been made.

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the revised list of operating expenses read as follows:

Rent	$ 2,400.00
Light and Heat	236.04
Officers' Salaries	5,000.00
Salaries and Wages	10,254.38
Depreciation	287.65
Supplies Used	180.00
Bad Debts	658.00
Packing	480.50
Advertising	2,430.00
Total	$21,926.57

In other words, the changes resulted in a decrease of $1,150, which was added to the taxable income. It is not necessary to carry this illustration further to show some of the commonest errors made by merchants in preparing their income tax returns, and to show the ease with which the data can be compiled and checked if the taxpayer has complete and accurate records from his business.

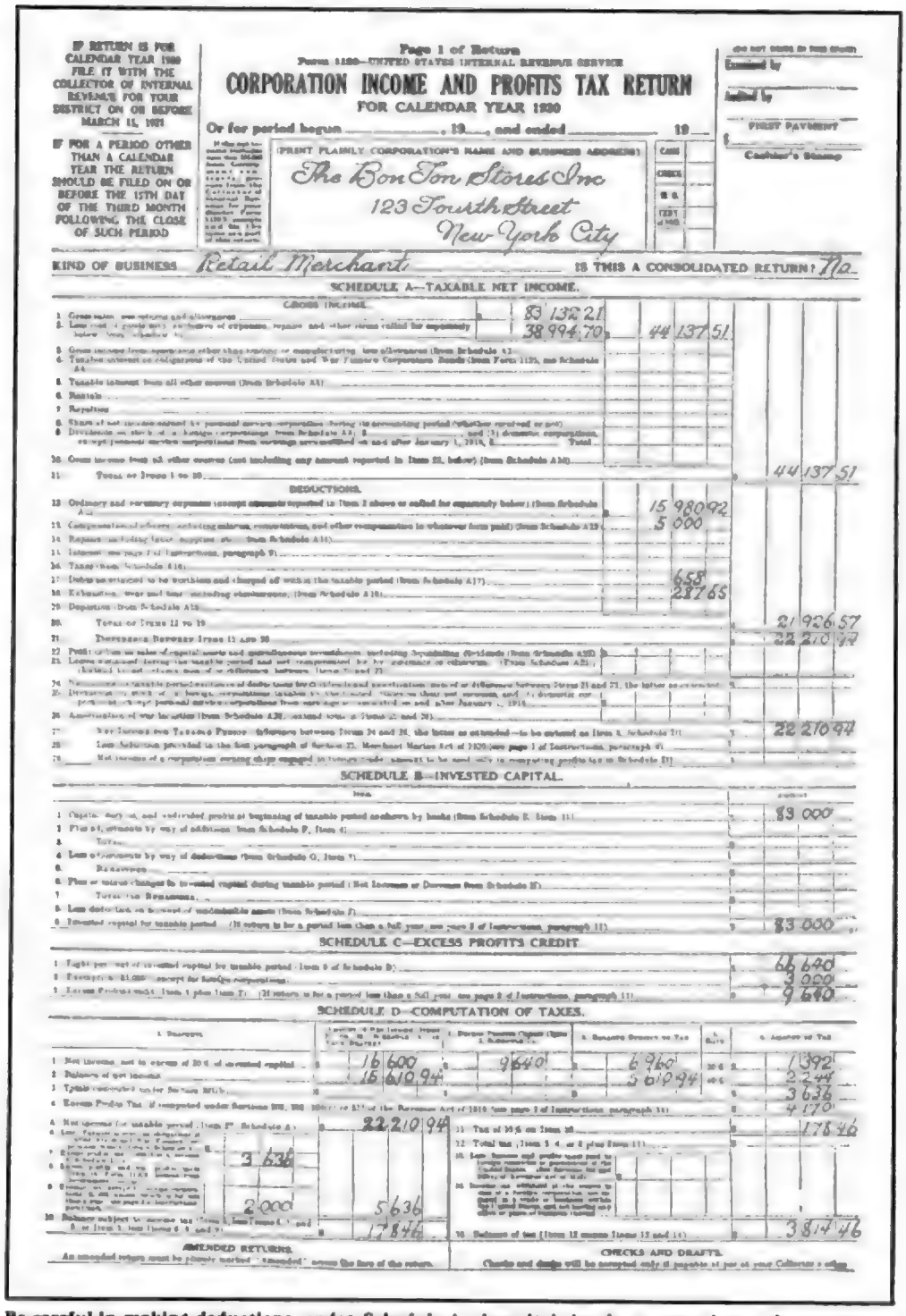
The proper starting point in making out an income tax return is the profit and loss statement for the year covered by the return. With this statement prepared in some detail by a bookkeeper with only a slight knowledge of the tax requirements, the merchant ought to find little difficulty in preparing the return so it will meet the requirements of the Treasury Department, and at the same time forestall the possibility of having his tax increased several years hence when the return is audited by the Bureau of Internal Revenue at Washington.

If you will glance at the Corporation Return, Form 1120, part of which is reproduced herewith, you will notice that "Schedule A" is at the top of the first page directly under the name of the corporation. If you will scrutinize this schedule you will notice that it is nothing more than a profit and loss statement, practically in the form in which most business concerns prepare their statements. It has two sections, one for "Gross Income" and the other for "Deductions." There ought to be no difficulty in filling in this schedule if the instructions on the form are followed carefully.

The next schedule to be prepared is Schedule L, which is a reconciliation of net income and an analysis of changes in the surplus account. This schedule is designed to be the connecting link between the net income, as shown by the books of the concern, and the taxable net income in which adjustments have been made for non-taxable income and unallowable deductions.

It will be impracticable in this article to delve very deeply into the computation of invested capital. As defined by law, it includes capital, surplus and undivided profits, as shown by the books at the beginning of the taxable period, plus additions during the year, less deductions during the

Continued on page 34)



Page 1 of Return
Form 1120—UNITED STATES INTERNAL REVENUE SERVICE

CORPORATION INCOME AND PROFITS TAX RETURN
FOR CALENDAR YEAR 1920

IF RETURN IS FOR CALENDAR YEAR 1920 FILE IT WITH THE COLLECTOR OF INTERNAL REVENUE FOR YOUR DISTRICT ON OR BEFORE MARCH 15, 1921

IF FOR A PERIOD OTHER THAN A CALENDAR YEAR THE RETURN SHOULD BE FILED ON OR BEFORE THE 15TH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF SUCH PERIOD

Or for period begun ____, 19__, and ended ____, 19__

(PRINT PLAINLY CORPORATION'S NAME AND BUSINESS ADDRESS)
The Bon Ton Stores Inc
123 Fourth Street
New York City

FIRST PAYMENT $ ____ Cashier's Stamp

KIND OF BUSINESS Retail Merchant IS THIS A CONSOLIDATED RETURN? No

SCHEDULE A—TAXABLE NET INCOME.

GROSS INCOME.

1 Gross sales less returns and allowances	83 132 21		
2 Less cost of goods sold	38 994 70	44 137 51	
10 Gross income from all other sources (not including any amount reported in Item 11, below) (from Schedule A10)			44 137 51
11 Total, as per Items 3 to 10			44 137 51

DEDUCTIONS.

12 Ordinary and necessary expenses (except amounts reported in Item 2 above or called for separately below) (from Schedule A12)		15 980 92	
13 Compensation of officers (including salaries, commissions, and other compensation to whatever form paid) (from Schedule A13)		5 000	
14 Repairs (including labor, supplies, etc., from Schedule A14)			
15 Interest (see page 2 of instructions, paragraph 9)			
16 Taxes (from Schedule A16)			
17 Debts ascertained to be worthless and charged off within the taxable period (from Schedule A17)		658	
18 Exhaustion, wear and tear (including obsolescence, from Schedule A18)		287 65	
19 Depletion (from Schedule A19)			
20 Total, as per Items 12 to 19			21 926 57
21 Difference between Items 11 and 20			22 210 94

22 Profit (or loss) on sales of capital assets and miscellaneous investments (including liquidating dividends) (from Schedule A22)		
23 Losses sustained during the taxable period and not compensated for by insurance or otherwise (from Schedule A23)		
24 Net income subject to tax (Item 21 plus Item 22 minus Item 23)		
25 Deduction on account of foreign, possessions tax (claim in the manner stated on page 2 of instructions)		
26 Amortization of war facilities (from Schedule A26, entered twice, as Items 25 and 26)		
27 War income tax (Item 24 minus Item 25)		22 210 94
28 Less deduction provided in the first paragraph of Section 32, Merchant Marine Act of 1920 (see page 3 of instructions, paragraph 4)		
29 Net income of a corporation owning ships engaged in foreign trade (amount to be used only in computing profits tax in Schedule D)		

SCHEDULE B—INVESTED CAPITAL.

1 Capital, surplus and undivided profits at beginning of taxable period (as shown by books (from Schedule E, Item 11))		83 000
2 Plus net amounts by way of additions (from Schedule F, Item 4)		
3 Total		
4 Less amounts by way of deductions (from Schedule G, Item 7)		
5 Balance		
6 Plus or minus changes in invested capital during taxable period (Net Increase or Decrease from Schedule H)		
7 Total (as Reasonable)		
8 Less deduction on account of nontaxable assets (from Schedule I)		
9 Invested capital for taxable period (If return is for a period less than a full year, see page 3 of instructions, paragraph 11)		83 000

SCHEDULE C—EXCESS PROFITS CREDIT

1 Eight per cent of invested capital for taxable period (Item 9 of Schedule B)		66 640
2 Exemption, $3,000 except for foreign corporations		3 000
3 Excess Profits credit (Item 1 plus Item 2) (If return is for a period less than a full year, see page 3 of instructions, paragraph 11)		9 640

SCHEDULE D—COMPUTATION OF TAXES.

1 Net income, not in excess of 20% of invested capital	16 600		9640		6 960	20%		1392
2 Balance of net income	16 610 94				5 610 94	40%		2244
3 Taxable undistributed net for the year 1919								3636
4 Excess Profits Tax (if computed under Sections 301, 302								4170
9 Net income for taxable period (Item 27, Schedule A)	22 210 94					11 Tax at 10% on Item 10		17846
10 Balance subject to excess tax (Item 9, less Items 6, 7, and 8, or Item 5, less Items 6, 7, and 8)	17846					12 Total tax (Item 5, 6, or 8 plus Item 11)		
		3 636				13 Less income and profits taxes paid to foreign countries or possessions of the United States (see Section 238 of the Revenue Act of 1918)		
		2000		5636		14 Income tax withheld at the source by the United States (see page 3 of instructions)		
						15 Balance of tax (Item 12 minus Items 13 and 14)		3814 46

AMENDED RETURNS.
An amended return must be plainly marked "Amended" across the face of the return.

CHECKS AND DRAFTS.
Checks and drafts will be accepted only if payable at par at your Collector's office.

Be careful in making deductions under Schedule A, since it is in the expense items that errors are most commonly found. Officers' salaries must be segregated; salaries of employees may be included in the sum for "Ordinary and necessary expenses." The proper test of "Compensation for officers," as laid down by the Treasury Department, is that the recorded sum shall be "reasonable payment for services actually rendered." The merchant must distinguish, too, between asset accounts and "Operating expenses." Bad debts must be actually charged off on the books, otherwise they will not be allowed. Miscellaneous donations are regarded by the Bureau of Internal Revenue as contributions and must not be included in the guise of advertising in the sum to be deducted from gross income

SCHEDULE A2: COST OF GOODS SOLD, EXCLUSIVE OF EXPENSES, REPAIRS, AND OTHER ITEMS CALLED FOR SEPARATELY.

If engaged in a trade or business in which the production, purchase, or sale of merchandise of any kind is an income-producing factor, (a) secure from the Collector of Internal Revenue and file as a part of this return, Certificate of Inventory, Form 1126, and (b) fill in the following schedule, entering on lines 3 and 5, immediately before the amount column, the letters "C," or "C or M," to indicate that inventories are valued at either cost, or cost or market, whichever is lower.

(1) Merchandise bought for sale	$ 36056.58
(2) Cost of manufacturing or otherwise producing goods. (Submit schedule showing principal items of cost, the minor items being grouped in one amount)	
(3) Plus inventory at beginning of year	1186.084
(4) Total	$ 4791.742
(5) Less inventory at end of year	8922.72
(6) Cost of goods sold	$ 389947.0

Schedule A2, Page 4 of Form No. 1120, supporting Schedule A and showing the cost of goods sold, is one of the vital parts of the form and one that causes many a merchant the most trouble. It is obvious that unless the merchant knows the cost of the goods sold during the year, as well as what he received for them, he cannot know precisely the amount of his gross income. And to satisfy the Bureau of Internal Revenue the figures must be precise; they must be compiled from accurate records

"Then Along Came the Fire"

By FRANKLIN H. WENTWORTH
Secretary National Fire Protection Association

THE FOLLOWING recently appeared in the humorist's "column" of a daily newspaper:

What Do You Make of This, Watson?

(Ad in an Indiana Newspaper)

We, like every other clothing store in the city, were "loaded to the guards" with merchandise for which we paid too much money. Many worried hours had been spent in a vain effort to "unload" without too great a loss—the wholesale markets were offering us new merchandise way below what we paid for stock—we could not buy because we were loaded already—what to do was a problem.

Then along came the fire.

* * * *

A few years ago an American weekly paper of large circulation undertook to prove by the statistical method that when periods of business depression occur American merchants liquidate their unsalable stocks of goods by burning them and collecting their fire insurance. The articles were of the "muck-raking" sort. After their appearance in two or three issues the series was abandoned. Gentlemen who thought they knew were of two opinions regarding the reason for this suspension. One was that the editor considered the articles not of sufficient public interest; the other was that a continuation of the series, which dealt in succession with different classes of business stocks, would finally bring into public disrepute the entire mercantile world of America, which was not considered good policy and the possibilities of which were not foreseen when the crusade was undertaken.

The inherent defect in this undertaking is suggested in Edmund Burke's famous statement that he did not know how to draw up an indictment against a whole people. There was never yet a nation embarked upon a vicious or anti-social enterprise that certain of its citizens did not protest. These citizens could not be held morally responsible for the action of an immoral majority. In the case in hand, the editor of the American weekly had undertaken a harder task—to indict mercantile business as a whole for the sins of a minority.

For that there is a minority that burns its goods to collect its insurance there is no shadow of a doubt. The records of the state fire marshals, the National Association of Credit Men and the National Board of Fire Underwriters leave no room for question on this point. According to the statistics of the National Board of Fire Underwriters, there was a decrease of 88 per cent in the number of fires, and 81.4 per cent in the amount of incendiary losses, during the four years from 1916 to 1919 inclusive. During the year 1916 there were 7,493 arson fires, causing an aggregate loss of $8,121,816, reported to the Actuarial Bureau. In 1917 there were 1,942 arson fires reported. In 1918 the number of arson fires reported dropped to 973, while in 1919 the number of such fires dropped to 908, with aggregate loss of $1,504,689.

The National Board figures for 1920 are not yet available, but indications are they will show an enormous increase, both in the number of incendiary fires, and in the aggregate number of reported losses. The number of adjusters' reports received by the National Board from January 1 to November 30, 1920, were close to 700,000, or over 100,000 more reported losses for the eleven months of 1920 than for the whole year of 1919, and from the way these loss reports are coming in it is estimated that the number of adjusters' reports for 1920 will be between 850,000 and 900,000.

Another interesting feature is that the greater number of these 1920 losses have occurred during the latter part of the year, or since the readjustment of business conditions started. In fact, as many as 6,000 adjusters' reports were received by the Actuarial Bureau in a single day in December. It is to be noted that at the beginning of the war, or in the year 1916, there were 7,493 incendiary fires reported; that such fires dropped to 908 in the year 1919, that such fires have materially increased during the last six months, and that it is estimated that the number of such fires in 1920 will equal or exceed those of 1916.

Mr. L. C. Williams, general adjuster for a large English insurance company doing business in America, was very frank in a January address to the Examining Underwriters' Association of New York on "The Moral Hazard." Mr. Williams said:

"During the prosperity of the war, credit was easily obtainable, and manufacturing and mercantile concerns sprung up like mushrooms, many of them with little, if any, substance behind them, and in some instances with men at their heads who had little, if any, knowledge of the business in which they were embarking, many being lured into these enterprises by the abnormal profits then being made.

"Now that the peak of such prosperity has been reached and natural readjustment to normal conditions has set in, is it not a fact that some of these concerns, stocked up with goods or merchandise purchased or contracted for when prices were at or near the top,



PHOTO BY BROWN BROTHERS
"The flames of burning food, clothing and shelter are every day registering our incompetence"

with insufficient capital to meet their maturing obligations and insufficient experience in a particular line of business to combat the effects of deflation, will now find themselves face to face with a heavy financial loss?

"These conditions undoubtedly have an important bearing on the moral hazard of fire insurance, in that stringent bankruptcy laws having made failures less profitable than formerly, the man of weak moral fibre, made desperate by impending misfortune, possessing the knowledge that he has fire insurance on his stock of goods or merchandise, based on values or inventories taken when prices were at their peak, is tempted to take a chance and sell out to the insurance companies.

"According to reports coming from the South, we are advised that most of the adjusters have so much to do that it is almost impossible to arrange for a loss adjustment under two or three weeks, that their assignments have increased seventy-five per cent since last September as compared with the same period a year ago, and especially is this true in respect to that section known as the cotton belt. I am inclined to believe that when cotton was soaring and in great demand many a retail merchant went outside of his legitimate business as such, and became a speculator in cotton. Now, with the general contraction of business and lowering prices, he finds his credit curtailed and his surplus capital tied up in cotton, which he cannot sell without a loss.

WHILE the South has shown a very marked increase in the number of fires, indications are that moral hazard is by no means confined to that section of the country. It is noticeable all over. In the East, for instance, special reference might be made to the silk business. Manufacturers, jobbers, wholesalers and retailers in this class of business have shown a marked increase in loss ratio since the bottom fell out of the silk market. In fact, I am informed that in Paterson, New Jersey, alone, over twenty silk mills or manufacturers have burned or had fires within the past few months. Lumber all over the country seems to have had a marked tendency to burn since lumber prices started to fall the end of last July.

"Speaking generally, we find manufacturers of clothing, ladies' suits and waists, furriers and dealers in burlaps and bagging, have all shown recent abnormal increases in loss ratio all over the country and especially in New York City. In fact, at the present time it would be hard to indicate any business affected by the fall of prices of commodities that does not show a considerable increase in loss ratio during the past four or five months."



PHOTO BY BROWN BROTHERS

"A relaxation of vigilance is immediately registered at fire department headquarters, registered later in the fire insurance offices and finally in the pockets of the people"

The arson officials of the underwriters' associations and the fire marshals' offices are continually chasing fire-bugs from city to city and state to state, occasionally getting them into penitentiaries when local juries are found willing to convict. Convictions for arson are always difficult to obtain for several reasons: The "plant" can be made to operate in the absence of the fire-bug from his premises, a successful fire destroys all evidence of its origin, and the average juryman, not knowing how the fire waste is paid, is always inclined to consider the man who has a fire as a victim of misfortune. His notion that the insurance companies pay the loss softens his heart towards the prisoner.

The conscious incendiary does not, however, always await periods of business depression for his operations. In fact, his chances for success are better when business is booming. In periods of business activity and satisfactory profit-taking he is less likely to be detected.

It is not the conscious incendiary, the professional fire-bug, who is responsible for all the increased fire losses in mercantile stocks when business depressions come on us. There is the unconscious incendiary to be considered. The unconscious incendiary does not put a torch to his goods; he simply relaxes his vigilance. Business depression brings mental depression and the entire establishment suffers a decline in *morale*. This is what underwriters mean principally when they refer to the "moral hazard." They know that under favorable trade conditions merchants will watch the rubbish accumulations and the sly smokers, and that when bad business comes they will sit in their offices, mourn over their ledgers and let things slide.

This is all that is necessary to increase the fire waste of the country. American habits respecting fire are still so careless that a relaxation of vigilance of the sort indicated is immediately registered at fire department headquarters, registered later in the fire insurance offices and finally in the pockets of the people.

The National Fire Protection Association believes there is but one way in which the increases of fire losses during business depressions can be combated. That agency is not yet operative because not sufficient time has yet elapsed to permit with means now and previously at hand a proper awakening of the public mind to the fact that the people themselves pay the fire losses—that the man who has a preventable fire is a public offender who, when he burns his own, is really burning common property. Once this truth is apprehended no difficulty is experienced in gaining legislation to repress the unconscious incendiary. In periods of business depression the collective life must protect its property by holding the individual possessors of mercantile stocks individually responsibe for their safekeeping.

The routine is a simple one. The fire departments must make regular inspections of mercantile establishments, make official records of their findings and of their inspection notices to the property owners. If the hazardous conditions are not remedied and a fire follows from any of the hazards pointed out, the property owner must pay to the city the expense involved in extinguishing or attempting to ex-

(Continued on page 36)

Back to "Business As Usual"

By JAMES H. COLLINS

YOU REMEMBER THE PHRASE. The British coined it to counteract fright during the first weeks of the world war, when people were hoarding provisions and moratoriums were being put in force. John Bull does not use business slogans as freely as we Yankees, but generally gets a good one when he does, and "Business as usual" was a dandy.

However, from that day forth there has been no business as usual anywhere in the world.

"It has been damned unusual!" is the forceful way more than one business man puts it. Demand for war instead of peace goods—shifting industries and world markets—slumps after the declaration of war and the armistice, followed by booms, extravagant spending and profiteering——. The story is too sad to be reviewed.

Now we are getting back to normal business, on a basis of *values as usual*—some kind of reasonable balance between the price of the farmer's wheat and the factory worker's bread; between the factory worker's output, his pay envelope, and the price of the farmer's new harvester; between the imports, exports and exchange of different countries. Every effort to bring business into balance will help, and every revival of speculative buying will hinder.

Doesn't your morning mail plainly show how the "easy business" has suddenly vanished? People are again writing you friendly letters, offering service and inviting acquaintance, sending you samples and offering to deliver goods immediately.

The other day I wanted a particular kind of envelope, a certain size, color, paper and flap. Envelopes for some reason have been high and hard to get, and still are. But pretty much the whole sales force of one big paper house downtown got busy, and seemed glad of the opportunity to be of service. They didn't find my envelope—I found it myself. But they had the spirit, unmistakably, of "Business as usual."

A typewriter salesman came into the office a few days ago to show a new portable machine in which I had casually expressed a little interest several months ago. He told me what "Business as usual" meant to him. For several years he has been apologizing to customers rather than selling machines, and hitting only the high spots of demand, the big business houses that purchase typewriters by the dozen. Now the big fellows have stopped buying, and he is calling upon the little fellows in his territory who have been neglected—Jewish tailors, Greek furriers, Italian grocers.

Making it a point never to pass a store or shop, even if it doesn't look promising, he has been able to build up a surprising volume of business among prospects upon whom his competitors seldom call. Simply another illustration, of course, of results from intensive work in small territory. He told me that salesmen's complaints were bitter each time his company cut their territory, yet territory had been cut again and again, and each time with an increase of business, both for the company and the individual salesman.

THE ax will be one of the handiest business tools this year. It will be wielded to cut expense, waste, speculation and extravagance. A mighty effective implement when used with skill and intelligence, but dangerous in the hands of the fellow who is blind or scared.

"We sharpened up the ax and began swinging it vigorously nearly a year ago," said a middle western manufacturer. He makes a line of labor-saving devices for the home, and is in a highly competitive field.

"Where did you begin?" I asked. "With the payroll, the sales force, the advertising—?"

"We cut the payroll, but not wages," he replied. "Soldiering and grumbling employees were dropped without reducing our real organization—output increased and there was a decidedly better spirit. The sales force came in for its re-organization, but was larger as well as better after we got through. Excuses were still more plentiful than goods in our line then, but we began working just as though the situation were exactly opposite, and got six months' start in making friends, giving service and developing dormant territory.

"In advertising we saved considerable money, not by canceling contracts for space, but by cutting out waste. Our products are technical, and must be explained to housewives in plain language and considerable detail. So we distribute thousands and thousands of booklets every year. These had been sent to dealers and agents, but when we made inquiries to see if that expenditure could be reduced, we found that hardly ten per cent of such printed matter ever reached the public. The dealer liked the booklets, wrote in for them, promised to distribute them. But he seldom did. They were piled up in his store, gathering dust, sometimes unopened.

"Whole series of printed things carefully prepared for distribution in a certain order to produce a specific effect, we found, had not been going out for two years back. That looked like indifference on the part of the dealer at first sight, but we learned that it was really lack of facilities for distributing advertising matter. The average retailer has a list of his customers, but lacks the time and knowledge to keep it up to date. He has no mailing room, no addressing machine, no employees who can be switched on to a mailing job.

"We cut our printing bills forty per cent by reducing editions of printed matter, and in the same time increased by several hundred per cent the number of booklets actually placed in the customers' hands, because we now undertake the distribution ourselves. We have an efficient mailing organization, with experienced workers and all the automatic devices for addressing, folding, stamping and so forth. Dealers were asked to send us their lists of prospective customers, and we sent the literature from the factory. To get live mailing lists, dealers were charged postage and cost of mailing, so that they were interested in results and in cutting out 'deadwood.' Not only did we follow the same plan with our own salesmen, but we charged them something for printed matter as well."

He gave other details of the same sort, but they all illustrated the same policy, which is probably as sound for every other business this year—waste and inflation were eliminated without cutting into the real organization, and special attention given to the so-called "non-producing" departments and the overhead. Today his factory is running only three days a week, to be sure, but the organization is trained and ready, like a unit waiting to go up to the front.

The folly of cutting into a trained organization was learned by one big electrical corporation during the slump of 1907. It had probably the finest research staff in that line to be found anywhere in the world. The error was made of reducing this staff, as a "non-productive" department, and it took ten years to get as good an organization together again. Having learned their little lesson, the directors of this company, facing the dark prospects of 1919, doubled their appropriation for scientific investigation that year.

(Continued on page 26)



—"to Judge Typewriters, 'Compare the Work'"

After all, there is but one way to find out just why the Royal Typewriter is being accepted as the world's finest writing machine.

Test it! Try it out in your own office, on your own work and under your own supervision. The Royal never shows to such advantage as when judged by the standards of other machines. It saves time—the work is beautifully clear-cut. It relieves strain on the operator.

There is but one answer when you actually "compare the work". ROYAL! New users of Royal Typewriters express delight over the flowing, vibrationless carriage movement; the light touch; the smooth functioning of *all* those inbuilt, exclusive Royal devices which save the time and the nervous energy of the operator.

Try the Royal! Then decide whether or not you really can be satisfied with anything but the best.

ROYAL TYPEWRITER COMPANY, Inc.
Royal Typewriter Bldg., 364-366 Broadway, N. Y.
Branches and Agencies the World Over

ROYAL
TYPEWRITERS

"Compare the Work"

Executives

There are no dates of greater importance on your business calendar than those marking the

National Business Shows

These Expositions of administrative methods and equipment, present in close perspective and under one roof the development of office machinery and systems in a manner not possible any other way.

Your time and that of your assistants cannot be used to better advantage than in visiting these expositions.

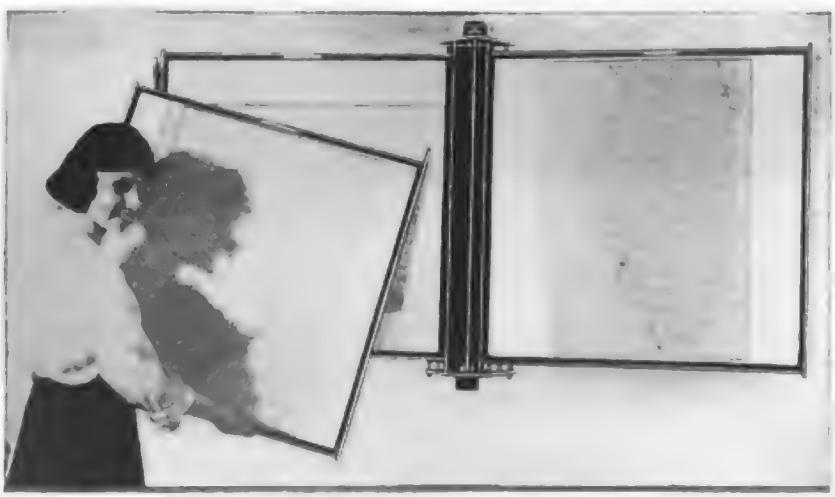
Progress — Efficiency — Economy and Conservation are the lessons taught.

BOSTON

Mechanics Hall, Week of APRIL 4.

ANNUAL BUSINESS SHOW COMPANY
FRANK E. TUPPER, *Pres.* 50 Church Street, NEW YORK

Other National Business Shows in 1921 { CHICAGO, Week of SEPT. 19 / NEW YORK, Week of OCT. 17



Post Your Maps on a MULTIPLEX

Maps posted on a Multiplex Efficiency Fixture are interchangeable and removable so that any two states or territories may be instantly compared.

MULTIPLEX conserves space, is always convenient, ready for quick reference and permits close inspection of maps, charts and drawings without stooping or straining

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MULTIPLEX
EFFICIENCY FIXTURES

Back to "Business As Usual"

(Continued from page 24)

Just now, 1921 looks about as dark as any year business men of this generation have ever faced. But the optimists are not wrong in pointing to their "sound fundamental conditions," like abundant crops, the great consuming capacity of the country, our natural resources and wealth, the expansion of our world trade and the world's downright need for our products. Already in this first week of the New Year, buyers are coming into New York in such numbers that the limited passenger trains are arriving in two, three and even four sections—nine fast trains used by business men had a total of twenty-one sections the day before this was written.

The fundamental conditions are good, and business will be done. But it will be *fundamental* business—careful planning, normal turnover, hard work, service and salesmanship.

Everybody knows what happened to merchandise in terms of price. But that is the most transitory change—there has been a greater transformation in other things. The speculative merchandise has disappeared. So has the "war boom" stuff, like the gaudy near-silk shirt—the public has suddenly turned toward useful necessities, which were dominant in its Christmas shopping. The sub-standard, defective quality stuff that was good enough in war times is also disappearing. "Turnover" has again become the key word. Instead of buying merchandise for the automatic rise in value that came while it lay on shelves, merchants are seeing to it that purchases are closely adjusted to demand.

Thus a factor largely lost sight of the last few years is being rediscovered. That factor is the fascination of merchandise, the peculiar something in good goods, not always easy to put one's finger upon, which attracts people and makes sales. What incentive was there to work stock closely when almost any old junk that had been lying in dusty corners for years could be routed out, marked up instead of down, and sold immediately? But now stock must be worked close to demand, day by day.

"Jake, I need a heavy overcoat—what have you got in the place?" a Philadelphia life insurance man asked his brother, a New York clothing manufacturer. This in December, when the factory was absolutely idle.

"Not a garment," was the reply, "except two hundred overcoats ordered by Shortsight & Company. They asked me to store them. If you find a garment you like, they will undoubtedly be glad to have me get rid of it. Come upstairs and look 'em over."

A suitable coat was found, the

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insurance man took it at the manufacturer's price, $65, and that amount was credited to the account of Shortsight & Company. The latter is a large retail clothing concern. It had $13,000 tied up in that lot of coats and was holding them for some unknown reason—in fact, seemed to have forgotten them. The whole trend of retail prices was downward, and the overcoats would be worth less in January than in December, and still less in February and March. The most logical explanation was that Shortsight & Company had not yet shaken off war-time merchandising habits. Such psychology will disappear this year, for merchandise must be kept working.

Dollars are already showing greater working capacity as well as employees. The inefficient employee is dropped when production slackens, and so is the inefficient dollar. During the past few years it has been hard to make two dollars do the work of one in ordinary times. Rising prices for merchandise and materials called for increased capital. Dollars put into commodity speculation loafed on the job weeks at a time. Railway congestion and underproduction often made it necessary for one to purchase beyond his needs to be certain of having goods at all, and this tied up more dollars.

But now speculative buying is over. Manufacturing and transportation conditions are improved, making deliveries more trustworthy. For the first time in five years the railroads have caught up with traffic, and the freight solicitor is again on the job. Prices are coming down. There is a new deal all around. If a man will work with his dollars, they will work with him. He will need fewer of them, pay less interest for them, and by turning them over faster, will get more out of them in profit. Likewise, there will be better opportunities to start new enterprises and get into business for one's self, because the amount of capital required will not be prohibitive, as it often was in war times.

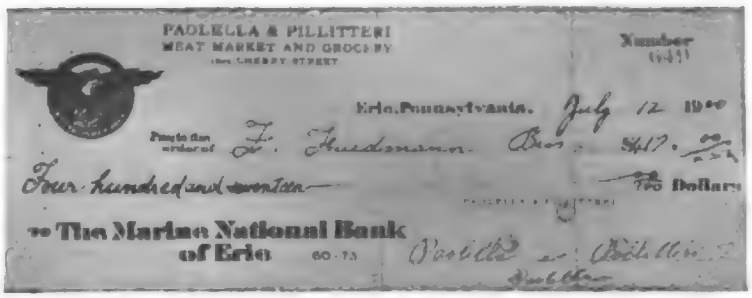
Inflation means that a dollar will do only fifty cents' worth of work, and deflation means that one must work with only half the number of dollars.

"Here they are," says this Year of Grace, 1921, to the business man, "and that is all you can have—play the game!"

The business man reaches for the ax, a sound instinct, because in boom times dead wood accumulates, and there is much that can be cut. Inefficient employees, waste of materials and stagnant stock are obvious. But there are some less obvious places where the ax must be even more vigorously applied.

For example, this story:

Not long ago a large eastern public



A typical Example of the many $7 checks given in payment for "Bargain" cigarettes. This one, issued in good faith by a small merchant in Erie, Pa., was raised to $417, the original amount being washed off with acid.

Cigarette Prices Go Down—Checks Go Up

Several pairs of operators who pass as salesmen for established jobbing houses, are working this trick on small merchants in various sections:

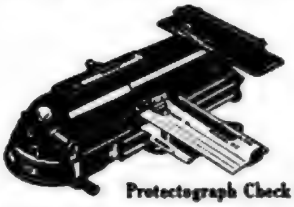
They offer standard brands of merchandise, such as "Camel" cigarettes, at a dollar or so below the market price. Somewhere in the transaction they make delivery of the goods and get a check for $7 or $8.

Next time the victim sees his check it has been raised to hundreds of dollars, certified, and cashed in some other city.

But in every case where the merchant gives them a check with the amount written like this—

EXACTLY FIFTY ONE DOLLARS SIX CENTS

the words being "shredded" in two colors with the Protectograph Check Writer, the "biter is bit," because he has no way to raise the "shredded" line.



Protectograph Check Writer

The instrument that protects the amount of a check in two colors (Todd Patents). Each character "shredded" through the fibre of the paper with acid proof ink.

The Complete Protectograph Anti-Forgery System consists of

Protectograph Check Writer to protect the amount +

PROTOD Forgery Proof Checks to prevent change of payee's name, or Forgery by duplicating a genuine check.

Backed by Anti-Forgery Insurance.

FREE—To responsible executives (only) the much talked of little book: "Scratcher, the Forger—His Book." Written by a celebrated Forger—Editor—Convict in State Prison, telling how he got there. Please enclose your business card or letterhead.

Todd Protectograph Co.
(TRADE-MARK REGISTERED)
Established 1899
1179 University Ave., Rochester, N.Y.
World's Largest Makers of Forgery-proof Checks and Check Protecting Devices.

Todd Protectograph Co., Rochester, N. Y.
FREE—Send me the scratcher book and samples of PROTOD Checks written with the Protectograph Check Writer.
NAME
ADDRESS
Bus. 2-21



Stenographers Read Notes as You Would a Newspaper

(*Natural Like*) eliminating that back breaking, motion making, error producing, and therefore, expensive habit of side reading. The notes right before them, the same distance from the eyes as the typewriter carriage, reduce eye strain and thousands of motions. Such corrected position reduces fatigue. The increased value in stenographers cancels the small investment in Line-a-Time quickly. TRY LINE-A-TIME IN YOUR OFFICE. NO OBLIGATION.

THE LINE-A-TIME MFG. CO., Inc., 904 St. Paul Street, ROCHESTER, N. Y.



First Assistant *to the* Sales Manager

IN taking up matters with the salesmen, either by mail or in person, the Sales Manager who has a complete set of maps of his territory within easy reach is at a decided advantage.

In the illustration to the left—taken in the offices of one of America's foremost automobile manufacturers—the Sales Manager, with his complete Multi-Unit System of washable maps, can tell at a glance just what portions of his territory need especial attention. The washable feature of the maps enables him to mark his maps with ink, crayon or water color, and to change the marking as often as necessary to keep them up to date at all times. All that is required to erase any marking is a sponge, damp cloth or piece of art gum.

Territories may be outlined, salesmen routed, the location of dealers and distributors indicated, sales quotas, total amount of sales, and other important data shown. As the maps are mounted on heavy compo-board, colored tacks may also be used to aid in giving a graphic representation of business conditions. With such a system it is possible for the Sales Manager to tell at a glance the exact situation in any part of his territory.

THE MULTI-UNIT SYSTEM

The Multi-Unit System is the last word in the effective display of large size business maps. It is saving of both time and space. You can turn to any desired map in a moment. When not in use, maps are folded back against the wall in a neat, orderly, and attractive arrangement. Each wing carries two maps. A twenty-wing fixture with maps of the entire forty-eight states, occupies no more wall space than a single map. There are various sizes and styles of the Multi-Unit fixtures, to meet the needs of any business. You can start with a single unit, and add to your equipment as your territory increases. We also sell single state maps, drawn to large scale, mounted on compo-board and finished with the washable surface.

Whether you cover one state or the entire world, washable maps can help you in your business. In writing, ask for Catalog "B" and tell us what your territory is.

NATIONAL MAP COMPANY

[Map Makers for 36 Years]

Maps, Multi-Unit Display Systems, Colored Map Tacks, Map Equipment and Special Mountings of All Kinds

INDIANAPOLIS NEW YORK

Address: Dept. B-3, Murphy Bldg., Indianapolis

service corporation was called upon by a state commission to furnish certain information. It cost the company $60,000 to compile the required data, largely statistical. The reports made a fair load for an express wagon. They were sent to the offices of the state commission. Some months later an officer of the company, looking in there, found the bundles piled up and covered with dust, just as delivered—they had never been opened!

Our orgy of special commissions and repressive laws and universal regulation the past ten or twelve years has saddled business with unsuspected expenses. In the end these are paid by the public as taxes, but they limit production, turnover and consuming power. Getting rid of them is a collective job, the individual business man being helpless alone. But he may be doing the same thing in his own business unwittingly, and there the ax can be applied at once.

Business thrives on information, and is shaped by it. Let nothing be said against the intelligent use of data that really shows where to eliminate waste, cut costs, speed up production or increase output and sales. But like the state service commission, many an executive demands reports that show nothing useful or worth the cost of compilation. Departments step on each other's toes in duplicating reports. A special kind of information is gathered for some timely purpose. They are useful once or twice, but somebody forgets to stop the reports after they have served that purpose and the organization goes on compiling them as a habit.

The ax can be applied to distance. Fifteen or twenty years ago goods were distributed through wholesale houses, on long credits, to distant retailers who had slow turnover based on leisurely deliveries. In recent years the retailer and his goods have been brought together by branch houses dotted over the country, credits have been shortened, deliveries are made by express and turnover has been accelerated. The closer that branches can be placed, the greater the turnover and economy for everybody.

Bad debts and cancellations can be cut down by better selling methods, more judicious extensions of credit, signed orders, trade rules governing sales and similar measures, now of widespread interest, tightening the sale into a definite contract. Freight and hauling expenses generally offer opportunities for economy. As a nation, we use more freight than any other people in the world, but because it has been cheap and also more or less concealed in the past, we have hauled stuff around carelessly and paid no attention to that out-go. Now the former yearly bill of $100 to $150 per

family for freight, express and other hauling has been doubled or better, inviting keen attention to the return in necessary work that each freight dollar brings.

One of the business man's 1921 jobs will be that of helping the public get back to "Business as usual." It has been hard the past five years to give the public credit for much sense. From the flour and sugar hoarding days of August, 1914, to the Georgette crepe craze of 1919, people have been abnormal in their buying whims and habits. Feast has followed famine and famine followed feast—war wages after the debacle of 1914, extravagant spending after the armistice lay-off, and finally, the consumers' strike coming as an aftermath of it all. The public has sobered up, but is in a critical mood. It will not resume normal buying until convinced that values have finally struck a balance. Demonstrating that is something that must be tackled after manufacturer, wholesaler and retailer have finished blaming each other and trying to shift the inevitable losses of re-adjustment.

A Wisconsin manufacturer came to New York before the holidays, bringing his wife, for a little playtime and Christmas shopping.

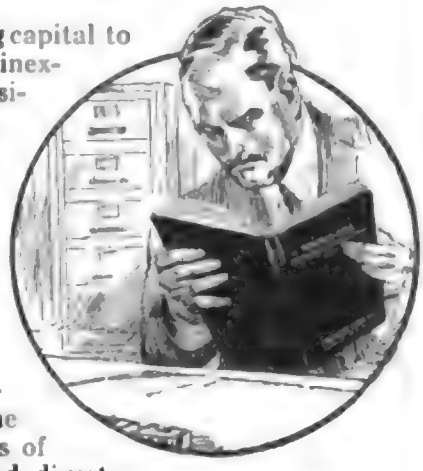
"We are going back home," he announced, after three days. "Haven't spent a dollar for presents, and won't—I'm going to give people checks instead, and let them buy their own presents in the February sales."

"What's the matter?" asked the New Yorker with whom he was talking.

"Why, the New York retailer!" he said. "I'm not a piker, but I do hate to be stung. I wanted an overcoat, and went with a friend to a wholesale house, where they sold me one for $35. 'That looks like good value,' I said. 'Come over on Broadway and I'll show you whether it is good value or not,' said my friend. We walked into a big retail clothing store and found the same coat, identical in fabric and workmanship, with the same manufacturer's label. And it was priced at $70! My wife had one experience of the same sort, and we're through."

A chain of retail clothing stores in the East advertised heavy price reductions, stating that the company had decided to take its losses on merchandise quickly, without complaint. The advertisement sounded so sincere that a man with several boys who needed clothes visited one of the company's stores. The only boys' clothing marked down was a line of sissified little Lord Fauntleroy stuff that no red-blooded boy would want to wear, and which probably was slow selling for that reason. Like the Wisconsin man, he bought nothing. There have been many genuine price reductions by retail merchants, and not a few bona

Time and Ideas —"Limited"



TIME and IDEAS are vital working capital to all business men. No one has an inexhaustible supply of either. When business conditions limit your money capital, you have all the more need for your capital of time and ideas.

We can save you losses on both. How? By finding for you the ideas you would otherwise miss; by presenting them in usable form.

Business articles in 700 publications read for you by our staff, average 4,000,000 words a week—200,000,000 words a year. All the newest and best ideas in this mass of material are condensed into classified digests that take only a few minutes a day to read. You cannot afford to overlook these ideas, and ***the only way to get them*** is by using the

PRENTICE-HALL Business Information Service

Successful business men everywhere are using this service and the collateral Research Service which our staff are in a strategic position to supply. See attached list of representative firms who are constant users, and their opinions, and then *do something about saving your own time and avoiding losses from overlooked ideas.* The coupon is for that purpose.

Representative Subscribers:

American Linseed Co.	L. S. Gillham Co.	Nat'l. Ass'n. of Credit Men	John Wanamaker
Camden Safe Dep. & Tr. Co.	Jeffrey & McPherson Co.	Otis Elevator Co.	Western Electric Co.
Carnegie Steel Co.	H. K. McCann Co.	Phila. Rapid Transit Co.	Westinghouse E. & M. Co.
Diamond Match Co.	Midvale Steel & Ordnance Co.	Pillsbury Flour Mills Co.	Weyerhaeuser Timber Co.
Irving Nat. Bank	Mutual Life Ins. Co.		

What They Say:

"I have already found the Business Information Service to be indispensable."—J. H. Moore, Irving National Bank, Boston.

"We endeavored to get information from two or three different sources before calling upon you, but were unable to get anywhere near such an exhaustive study as was furnished by the Prentice-Hall Co."—Pillsbury Flour Mills Co.

"The connection we have made with the Prentice-Hall Company is one of the most desirable we enjoy, and we subscribe to every service publication in the country."—L. S. Gillham Co., Advertising, Salt Lake, Los Angeles, and Boise.

"Some weeks ago I subscribed to your Business Information Service and am glad to say that I have already found it quite worth the cost for the entire year."—George B. Carpenter, Foreign Trade Adviser, Merchants National Bank, Los Angeles.

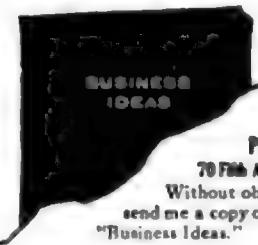
"We find your service very helpful in solving the problems that come up from day to day."—American Linseed Co., New York.

"During the last year we have put your service to many practical uses and look forward to greater help during the coming year."—Jeffrey & McPherson Co., Minneapolis.

PRENTICE-HALL, INC.
70 Fifth Avenue NEW YORK CITY

Tear out the coupon, attach it to your business letterhead, and mail today.

PRENTICE-HALL INC. BUSINESS AND TAX SERVICES NEW YORK



Prentice-Hall, Inc.
70 Fifth Avenue, NEW YORK.
Without obligation, please send me a copy of your booklet, "Business Ideas."

Name_____
(Print name to insure correct shipping)
Business Address_____
Business Position_____



Answered Instantly

43¾ hours at 67½c per hour
256 pieces at $1.94½ per hundred
47½ hours at $42.50 per week

Pay Roll and Cost Accounting problems can now be computed in *half the time* and with *positive accuracy* by

The Meilicke Calculator

A new time saving principle has been applied to a proven practical method. *Pre-calculated, mechanically correct* answers to thousands and thousands of pay roll and accounting problems are contained in compact Meilicke Calculators.

All answers are in decimal arrangement on *loose-leaf, linen-lined* and *hinged cards.* Rates are indicated by tabs *re-inforced with celluloid.*

Answers Always Correct

The Visible Tabbing System guides the inexperienced clerk instantly to correct answers. Merely a finger touch on Tab indicating the rates, places before the operator answers desired. And—*correct answers are simply read.*

With a Meilicke Calculator you reduce accounting costs fully 50%. You save time now wasted—you save on salary expense—you save on cost of equipment.

Every Statement Proved by Experience of

The American Railway Express Company using 12,000 Meilicke Devices.

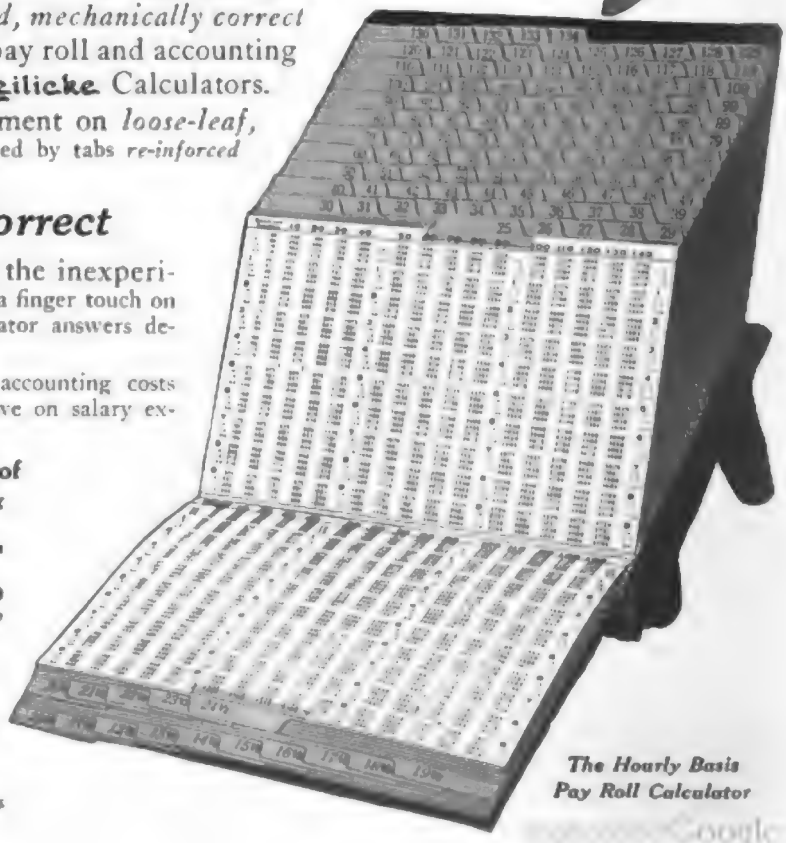
The Western Union Telegraph Company with 500 Meilicke Pay Roll Calculators.

The Western Electric Company using 100 Meilickes; each will check more than 350 Time Tickets per hour.

Our Free Trial Plan Shows You Ways To Reduce Overhead Expense

Meilicke Calculator Company

Makers of Time and Money-Saving Efficiency Devices
C354 North Clark Street Chicago Illinois



The Hourly Basis Pay Roll Calculator

fide sales of clothing and other merchandise by manufacturers selling direct to the public. But many a "fire sale" joint has camouflaged itself as a manufacturer's sale, moving upstairs. The public knows that this isn't "Business as usual," and its very sense is something definite to build on when business men get around to it.

The optimist's voice has been heard in the land ever since trouble started, insisting that the trouble is largely a state of mind. The pessimist's voice has been heard, too, insisting that there is nothing but trouble, and hopeless of the future. The optimist feels that by "holding the thought" we can all get back again into the rosy boom times. The pessimist insists that the optimist's doll is stuffed with sawdust.

Of course, neither of them is right. We are not going back to the unusual business. But we are going back to "Business as usual," because this is the third time this particular thing has happened to business since 1914. Twice before we have gone back, on an unforseen basis, with unexpected rapidity of recovery. This time the outlook for normal business is best of all—this time "Business as usual" is the real thing.

Publicity—Why and How

(Continued from page 11)

necessary confidence in canned goods? Advertise? Yes, but don't stop there. There is real news in the science of canning. That news should be made available in the form that the publisher can use at least cost.

The average housewife knows little about the modern cannery. She knows how she cans fruits and vegetables, but she knows little about the methods used to give her a perfect canned product. There's news in that. It's not "spot news," of course, but it is news of a feature character that has its place in the columns of a newspaper.

Suppose you are a manufacturer of yeast. Certain food qualities in yeast are discovered. The consumption of yeast as a food begins. How stimulate that consumption? Advertise? Certainly, but don't stop there.

Who says that yeast has food value? Some great dietician? Well, then, his views are news.

Suppose you are a wool grower. You know that the consumption of beef and pork has increased in recent months while the consumption of lamb and mutton has dropped off. You know, too, that in food value, palatability and digestibility, lamb and mutton compare well with other meats. You know, too, that lamb and mutton are really the most economical of meats. There are those, of course, who will challenge this statement, but let it pass for the sake of the story.



ADVERTISING BLOTTERS



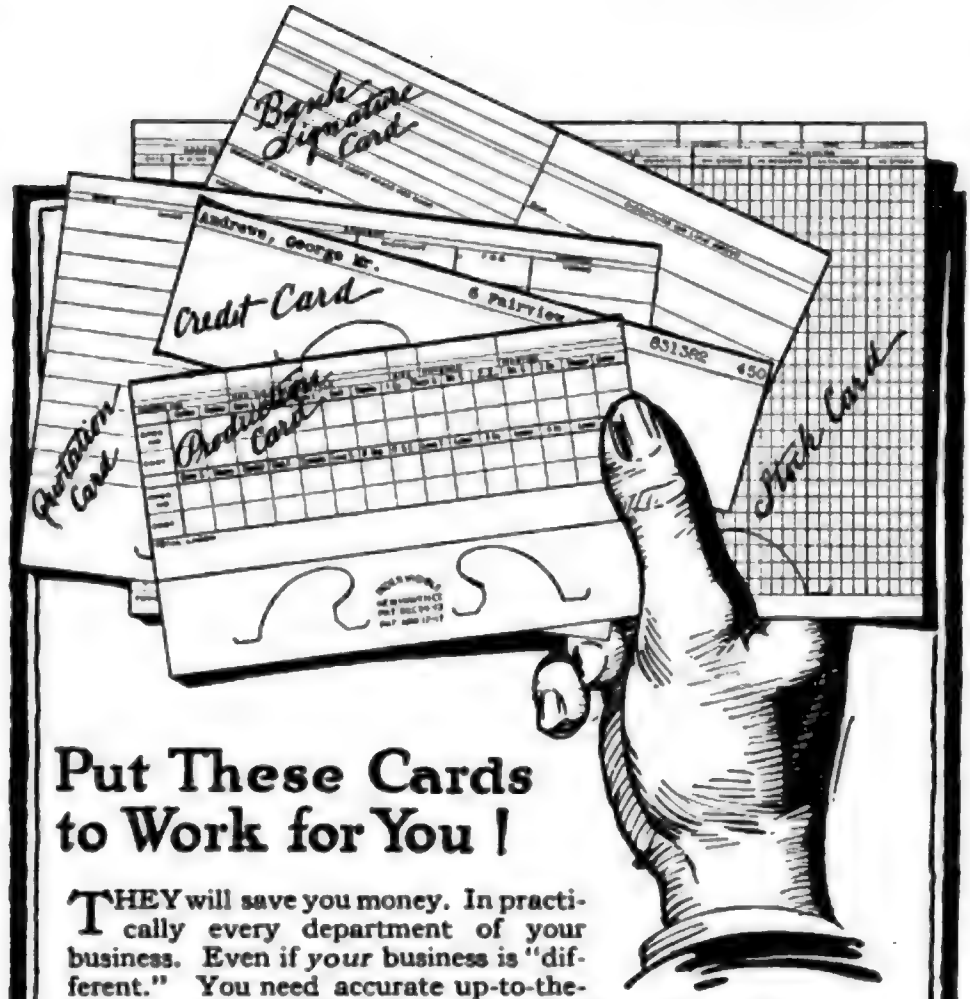
Tell Your Story Repeatedly

The occasional advertisement counts for little in today's advertising. It is the persistent followup that gets results.

"Hammering home" everlastingly the same thought, finally creates the confidence that creates sales. Men keep your product or service separated mentally from numerous similar propositions, only when you keep YOURS before them constantly. This is the work of HEYDEN BLOTTERS. Our monthly service offers you reminder advertising of proven effectiveness. These attractive blotters bearing your own advertisement can be inclosed in all your mail. They tell your story repeatedly and make your advertising pay. Ask for sample set 403. *To Executives Only.*

HEYDEN COMPANY, Inc. 511 Plymouth Court CHICAGO, ILL.

ADVERTISING SECTION



Put These Cards to Work for You !

THEY will save you money. In practically every department of your business. Even if *your* business is "different." You need accurate up-to-the-minute information on all phases of it, don't you? And you want these facts *when* you want them. Not fifteen minutes later or not at all. Then VISUALIZE your records by installing

INDEX VISIBLE
Card Record Systems

No more valuable time wasted in fruitless, useless hunting through blind files. No more doubt and error from trusting to memory. Supplant *guesswork* with *knowledge*—at less cost!

There are many types of Index Visible Equipment. The Rotary and the Table Stand, shown below, the Wall Frame, the Posting Equipment, and handy portable Ring Books.

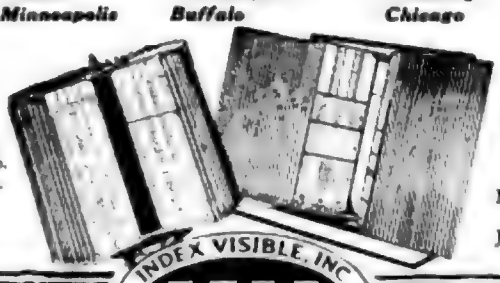
Our service experts know which type you need, and how and where you can use it to stop the leaks which shrink profits.

Perpetual inventories, stock records, purchase and quotation records, daily ledgers, credit information, sales records, advertising, mailing lists, telephone lists, and a wide variety of other records can be accurately maintained at minimum effort and made instantly accessible by the use of Index Visible.

Our literature will interest you. Address sales office if we have one near you. Otherwise home office. Please specify how you are now keeping your routine records and business information and the size of your list. If you will enclose your present card form, we will draft an Index Visible card for you and send it to you for your inspection.

INDEX VISIBLE, INC.
NEW HAVEN, CONN.

New York *Boston* *Philadelphia* *Pittsburgh* *Cleveland*
Detroit *Minneapolis* *Buffalo* *Chicago* *Washington*



Used by
Marshall Field & Co.
Winchester Repeating Arms Co.
Swift & Co.

Used by
Pierce-Arrow Motor Car Co.
New York Telephone Co.
John Wanamaker

INDEX VISIBLE, INC
I-V-I
RECORD SYSTEMS

What's to be done to increase the consumption of lamb and mutton? Advertise? Certainly, but again, don't stop there. How to save money in buying meats is news. That news should be made available.

One more example:

Before the war the American dye industry got nowhere. During the war it made real progress. Today American dye manufacturers insist that American dyes are equal to German dyes, if not actually superior. Do American textile manufacturers agree? Some do and some don't. Most want foreign dyes. They tell you they must have them or their business will be ruined. In this controversy there are two interests with two separate stories to get before the American public. How is it to be done? By advertising? Yes, but again that's only half the method.

To sum up:

Not once within my experience has the use of supplementary publicity been followed by the decrease or discontinuance of advertising. In most instances it was increased.

After all is said, this fact must be comprehended: The finest advertising and publicity personnel in the world and the sanest, soundest plan of sales promotion can do little more than reflect the economic merits of the thing exploited. To go back:

The wool growers will win out in their effort to increase the consumption of lamb and mutton, provided their case is sound. If beef or pork is cheaper and more digestible and more palatable and has greater food value the wool growers haven't a chance.

The American dye industry will triumph, provided American dyes are superior.

If there is no reason why a man should wear suspenders, then bid good bye to the suspender industry.

And so on.

Several months ago the writer was called to the office of a shoe manufacturer. Part of the conversation went like this:

"Why is it, in your opinion, that our business is one of the most much-raked businesses in the country?"

"If you will permit me to say so, I am somewhat surprised that you, a big business man, who knows every detail of the shoe business, should ask me, who knows nothing about the manufacture of shoes, why your industry today does not enjoy public confidence."

"Are you alluding to the high price of shoes?"

"Of course."

"Why, there is a reason for that."

"Let's grant it for the moment. Then you should seek to create an adequate public understanding of your business."

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Later, when the manufacturer was asking for details as to how that should be done, he was asked:

"Are you willing to take the public into your confidence and inform them correctly what have been the profits made by your company during the last few years?"

"It's nobody's damned business," flew back the answer.

Right there I reached for my hat.

In equity there is a principle that he who seeks justice must come with clean hands. So it is in the court of public opinion. With an open record for honesty and fair play the shoe manufacturer should rightfully hope for public confidence and good will. The public is just. Wasn't it Lincoln—he said many of the good things—who spoke of the "ultimate justice of the people?" He, too, asked what "better or equal hope" there was "in the world?"

Most advertising can be made more effective by supplementary publicity.

By supplementary publicity is not meant getting advertising for nothing. Instead is meant creating legitimate news, making that news available in the form that will cost the editor least to use, and finally submitting that news strictly on its merits as news. The story must make its own appeal.

The advertiser himself is the man who is coming more and more to accept this as true.

Some six or seven months ago the publishers of the daily newspapers in New York and Brooklyn agreed not to carry any automobile "publicity." If a car broke a record for time consumed in crossing the continent, was the story of that trip printed? It was. Was the name of the car given? It was not. The car was referred to as a "well-known car manufactured in Detroit." Did the publishers' agreement last? It did not. Following the withdrawal of one newspaper and another and another and the final blowup, automobile editors printed boxes announcing that they would continue to print the news of the automotive industry.

Printing the news is a sane policy.

Training for Salespeople

Merchants in Chattanooga, Tennessee, recently conducted a course of lectures, illustrated by motion pictures, to teach their salespeople the science of salesmanship. Sales managers from many of the state's leading firms gave the lectures, while the films illustrated the processes of manufacturing the various lines of goods sold in the retail stores. The course was designed chiefly to promote salesmanship in stores too small to maintain independent courses of instruction.



Give *Your* Dealers a Measurable Advantage Over Competition

When prices and items change so frequently, bound catalogs become inaccurate and obsolete; salesmen and dealers are handicapped. The catalog actually retards selling. Turn this handicap into a "plus" factor by using

Badger Loose Leaf Catalog Binders

The loose-leaf catalog is made up of individual pages or sections easily kept up to date. Obsolete pages are removed, new ones printed, and replaced in a moment. The catalog always says "here is what we sell today." No marked pages, no supplements. The saving in printing often pays for the investment, eliminates or reduces samples and sample trunks, saves time and labor.

Over a Million in Use

Whether you sell through salesmen and dealers or direct, there's a Badger Loose Leaf Binder for your catalog. Such catalogs give salesmen greater enthusiasm; dealers prefer to sell from the "live" catalog, increased sales result.

Our experience of twenty years is at your service. Send us information about your present catalog—frequency of issue, quantity used and a sample. Also ask for catalog U3. Our suggestions will prove profitable.

District Sales Managers Wanted

THE HEINN CO. MILWAUKEE WIS. U.S.A.

SALES OFFICES: NEW YORK CHICAGO CINCINNATI



A good business man has conveniences in his office—he deserves them

The business world emphatically welcomes any article of convenience that will aid the smooth running of its busy offices.

THE SPERRY TELEPHONE ARM is an attachment for the business man's phone, assuring him ready service with a phone that is always within reach—always out of the way.

Write for the name of the nearest Sperry Arm dealer. Address Dept. 41.

Kellogg Switchboard & Supply Company Chicago, Ill.

Clean as a Sheet of Writing Paper

PANAMA
BRONZE
CARBON
PAPER

Clean, Clear Copies!
LIKE ORIGINALS!



For NOISELESS machines—Panama Bronze Noiseless produces perfect carbon copies.

If there is not a Panama dealer in your city, send direct to us for samples, with the name of your dealer, and we will include an interesting chart to help you solve your manifolding problems.

MANIFOLD SUPPLIES CO., *Manufacturers*
BROOKLYN, N. Y. (Station L4) U. S. A.

FOR NEAT CORRESPONDENCE—*LONG-WEARING* PANAMA RIBBONS
"Panama Your Letters"



Put in a Cordless Switchboard

It's the ideal private branch exchange where a small switchboard is needed with capacity up to ten lines.

Stromberg-Carlson Cordless Switchboard

Is compact and of convenient size; can be placed on desk or table; only 16 inches high, 16 inches wide; depth over-all, 12½ inches.

One of your clerks can act as information bureau—receiving calls, making appointments, etc.

Simple to operate—great time saver, equipped with ten lines, three trunks and five independent connecting circuits.

MAIL COUPON TODAY

and we will be glad to send you our "Bulletin on Cordless Switchboards" which shows the details of construction and operation of the handy outfit.

Stromberg-Carlson Tel. Mfg. Co.
ROCHESTER, N. Y.
Dealers and installers in principal cities

Stromberg-Carlson Tel. Mfg. Co.
Rochester, N. Y.

Gentlemen:
Please send me your Bulletin on Cordless Switchboards.

Name

Address

Bus. 3-21

In Account With Uncle Sam

(Continued from page 21)

year. The invested capital is not computed as of any specific date, but is the total amount of capital employed during the entire period. These figures are shown in Schedule B and the supporting data is drawn from Schedules E, F, G, H and J on page 2 of the return.

Schedule K should present no difficulty, for it merely calls for balance sheets as of the beginning and end of the taxable period taken from the books of the company.

In view of the great importance of the proper valuation of inventories in this year's return, the Treasury Department has recently revised the regulations on this subject so as to afford a measure of relief to offset the rapidly declining prices that have prevailed in the last six or eight months. The salient features of these Treasury decisions, No. 3108 and No. 3109, are reproduced here because of their great importance:

"ART. 1584. Inventories at market: Under ordinary circumstances, "market" means the current bid price prevailing at the date of the inventory for the particular merchandise in the volume in which ordinarily purchased by the taxpayer. This method of valuation is applicable in the cases (a) of goods purchased and on hand, (b) of basic elements of cost (materials, labor and burden) in goods in process of manufacture, and (c) of finished goods on hand; exclusive, however, of goods on hand or in process of manufacture for delivery upon firm sales contracts at fixed prices entered into before the date of the inventory, which goods must be inventoried at cost.

"Where no open market quotations are available, the taxpayer must use such evidence of a fair market price at the date or dates nearest the inventory as may be available, such as specific transactions in reasonable volume entered into in good faith, or compensation paid for cancellation of contracts for purchase commitments. Where, owing to abnormal conditions, the taxpayer has regularly sold such merchandise at prices lower than the current bid price as above defined, the inventory may be valued at such prices, and the correctness of such prices will be determined by reference to the actual sales of the taxpayer for a reasonable period before and after the date of the inventory.

"ART. 1582. Valuation of inventories: Inventories must be valued at (a) cost, or (b) cost or market, as defined in Article 1584 as amended, whichever is lower. (See Article 1585 for inventories by dealers in securities.) Whichever basis is adopted must be

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"We have been buying with enthusiasm and selling in cold blood."
"We must now buy in cold blood and sell with enthusiasm."

You fellows who have been in business through good times and bad, know the value of *enthusiasm*.

You know how periods when merchandise can be sold *without an ounce of enthusiasm* ruin the morale of your salesmen.

You know that when normal conditions return, as they always do—your sales force will need *more steam*, a little *sand on the track* and a *steady hand* at the throttle, to get up to normal sales speed.

You know that the men will need to draw on *your own enthusiasm*—to feel that your sales energy is going out ahead of them—that you have *enthusiasm on tap* to back them to the limit.

Difficult? It may seem so at first. But it is easy if you know the secret—*Sell with the Multigraph*.

Turn On The Current

Perhaps your men have been up against so many tough customers lately they have lost their pep. Perhaps they got the habit of being mere order-takers when business was coming easy. Maybe they only need a little jolt from you to turn them into the *live wires* they used to be when selling was a man's job.

If that's the trouble, here's the remedy. Give them some of your surplus enthusiasm in regular doses with the *Multigraph*. Put your ideas down on paper. Tell the boys the things you'd say if you could talk to them one at a time. Then have your letters printed (through a ribbon) on your Multigraph, and mailed *without lost motion or needless expense*.

Let The Salesman Sell

But keeping the salesman on his toes is only one of dozens of uses of the Multigraph. It provides the quickest, simplest, surest way of sending a current of *sales enthusiasm* all through your organization and all over your territory. It *cultivates* the field for the salesman. It *sows* the right seed for him at the right time. It leaves him free to *gather the crop*.

Write for the New Booklet "How to Sell in a Buyers' Market"

If you want to know just how you can turn *your enthusiasm* into *salesman enthusiasm*, *dealer enthusiasm*, and *public enthusiasm* for your product—if you want to know just what other up-to-date firms are doing with their Multigraphs—if you want *facts and figures* about the Multigraph—send for this booklet.

Print it on the Multigraph

Today it is printing house publications, folders, letters to branches, salesmen and customers, bulletins, price lists and the like—printing every job rapidly, economically and confidentially. It is serving more than *300 separate and distinct lines of business*, and is used in *every civilized country in the world*.

The Multigraph is a *small*, compact, *rapid rotary printing press*. It *prints* from real type, or from curved electrotypes, with real printer's ink. Colors and illustrations if desired. It is also a *multiple typewriter* of unlimited capacity.

The simplest way to find out exactly how the Multigraph will *sell* and *save* and *earn* for *you* is to check the list below, fill in the coupon and mail to us at once.

Sales and Advertising Portfolio

With every Multigraph equipment for Retailers we furnish, FREE, a portfolio containing valuable business building suggestions and 50 sales letters written by Frank Farrington, the well-known authority on retailing.

Write, telephone, or use the coupon.

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio, Offices in Principal Cities

THE INTERNATIONAL MULTIGRAPH CO., (Britain' Ltd., 15-16 Holborn Viaduct, *London, E. C. 1* **THE INTERNATIONAL MULTIGRAPH CO., *Paris*, 24 Boulevard des Capucines** **THE MULTIGRAPH SALES CO., Ltd., 84-85 Bay St., Toronto, Canada**

SELL WITH THE MULTIGRAPH

FILL IN AND MAIL THIS COUPON NOW! The Multigraph, 1798 E. 40th St., Cleveland, Ohio—Send me, without obligation, the free booklet, "How to Sell in a Buyers' Market," and full information about the Multigraph. I am interested in the Multigraph for printing the various items checked below.

Manufacturing Department
___Shop Forms
___Time Cards
___Delivery Slips
___Shipping Notic
___Special Notices
___Bulletins
___Stickers
___Tags
___Wrappers
___Labels

Sales Department
___House Organs
___Mailing Cards
___Envelope Enclosures
___Dodgers
___Booklets
___Folders
___Form Letters
___Circulars
___Bulletins
___Order Blanks

Office and Administrative Departments
___Letterheads
___Envelopes
___Invoices
___Statements
___Collection Letters
___Price Lists
___Imprinting
___Post Cards
___Sales Letters
___Office Forms
___Post Cards
___Memo Pads
___Blotters
___Notices

Firm_____ Our Line is_____

Name_____ Official Position_____

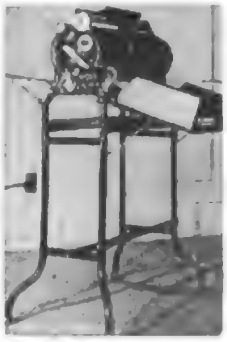
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Town_____ State_____

Bus 8-21

Rebuilt Multigraphs at Half-Price

Rebuilt-Like-New **Two Year Ironclad Guarantee**



$520 Number Four (new) - $250 (rebuilt)

Includes the $500 current, No. 4 Model and $20 Stand. Complete type equipment (brand new), 2 segments, tools, supplies, ribbons.

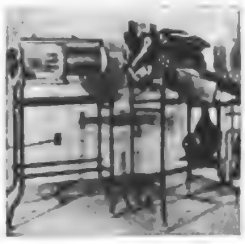
$865 Complete Unit (new) - $405 (rebuilt)

Includes the $520 No. 4 outfit, and in addition the Automatic Feed, Power Drive (right motor for your current) and Printing Attachment.



$975 Senior No. 36 (new) - $525 (rebuilt)

Includes the Multi. Senior Printer with the automatic platen release and a separate Compotype automatic typesetter—both on stands. Also the Power Drive, Automatic Feed and Printing Attachment.



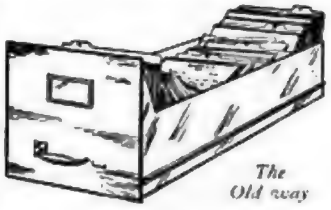
Guarantee

Our Multigraphs guaranteed to produce finest quality work or money refunded. Guarantee to renew free any part that wears or breaks within 2 years (only exception natural wear on type).

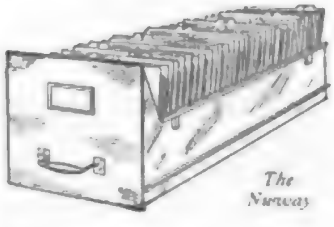
REBUILT MULTIGRAPH EXCHANGE

LINCOLN BLDG., PHILADELPHIA

Nuway



The Old way



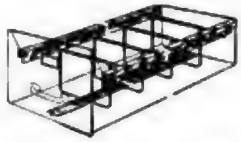
The Nuway

Old Way or *Nuway?*

HERE'S how filing drawers generally look in the office where old filing methods prevail.

And here's the way they ALWAYS look with NUWAY Filing Interiors installed. Folders held in five places; partitions movable; adjustable at top and bottom. No sagging or buckling folders, no crumpled, torn letters.

Send for copy of *"Filing and Finding"*; story of a modern, efficient office appliance



Some valuable territory still available for live dealers.

Write today to

Nuway Devices, Inc. 302 Ellicott St. Buffalo N.Y

applied consistently to the entire i ventory. A taxpayer may, regardle of his past practice, adopt the bas of 'cost or market, whichever is lowe for his 1920 inventory, provided a di closure of the fact and that it re resents a change is made in th return. Thereafter changes can l made only after permission is secure from the Commissioner. Inventori should be recorded in a legible manne properly computed and summarize and should be preserved as a part the accounting records of the taxpaye Goods taken in the inventory whic have been so intermingled that the can not be identified with specific in voices will be deemed to be the good most recently purchased."

"Then Along Came the Fire"

(Continued from page 23)

tinguish the fire, and all damages t neighboring property caused by suc fire. Legislation to this effect has no yet become general enough in th United States and Canada to enabl the fire hazard of the present busine depression to be competently me Pennsylvania has such a state law the charter of Greater New York ha a provision to this effect, and respon sibility for the cost of extinguishin preventable fires has been placed b ordinance upon persons disobeyin fire prevention orders in the cities Cleveland; Cincinnati; Portland, Or gon; Austin, Texas, and several other There is now such a bill before th Massachusetts State Legislature an the individual members of the Fi Marshals' Association of North Ame ica went home from their Decembe convention in New York pledged t bring about the introduction of such measure in their several legislature and to exert themselves to achieve it enactment.

Thus the slow-moving machiner of legislation and public education getting into operation to prepar future decades or generations to cop with this hazard of the unconsciou incendiary. We cannot cope with now. The flames of burning food clothing and shelter are every da registering our incompetence. Th American fire waste of 1919 in create resources, not including the million lost in forest fires, was reported a $269,000,775. This is probably 75 pe cent of the 1919 actual ash heap. Th losses of the year 1920 as just re ported, also probably three-fourths o the actual loss, were $330,853,925 The ash heap of 1920, a period o business depression, is sixty-on million dollars greater than in 1919

How much of this sixty-one millio represents stocks of mercantile good that followed the line of least resistanc cannot be publicly known. We ma

surmise, however, that during the past year more than one merchant in the states and provinces has entered substantial checks on the credit side of his ledger without calling his conscience to bear witness to the equity of the transaction. Only those who have looked upon the smouldering ruins of burned stocks and have passed in unwilling secret review their own acts of omission know who these merchants are. Such men can be judged only by themselves.

Get Him Where He Lives

(Continued from page 16)

an additional 40 cents at your convenience, which would make a total of $2 and purchase a full peck, the amount of your order; or if you feel that this change in price is not what you bargained for, we will cheerfully refund your money.

But I can assure you, Mr. Blank, that the Valley Farm potatoes are everything that our catalog represents them as being. In an experience of forty years as a seedsman and grower of home vegetables, I know of no strain of potatoes that produces to equal them. In competition with other potatoes they are more than worth the difference in price to any man who values exceptional results from his garden and takes pride in being just a little ahead of his neighbor.

Whatever your will is, we shall promptly meet it. And we await your further instructions in regard to the potatoes. In the meantime, the other items of your order are being filled, and will go forward to you tomorrow. We welcome you as a customer, and have placed your name on our mailing list to receive our spring and fall catalogs and other publications as they are issued.

Very truly yours.

Is a $2 order worth all that letter-writing, somebody asks. Yes, of course it is—if you intend to remain in business permanently. A peck of potatoes is a small item, but a pleased customer—no matter how small a customer he may be—is a mighty big matter. In fact, he is the best asset a business can have; for like the grain of mustard seed, trade goes on increasing as far as his sphere of influence extends. But in this instance, the Stephens sort of letter was not written, neither in the first place nor the second. The $1.60 was returned with a stereotyped note—and the new customer was lost for all time.

Get him where he lives! There is a certain manufacturer of forcing boxes who has been advertising in the garden periodicals. His advertisements are largely an appeal to the gardener's craving for earliness of production. Perhaps there is no tendency more universal among this type of hobbyist than the desire to get ahead of his fellows—to have the first peas, the quickest tasseling of corn, the earliest tomatoes and potatoes and melons and cabbages in his neighborhood. All gardeners everywhere are jealous gardeners, and anything that will help one to smile a superior smile upon a green-eyed rival is sure of a hearing and a trial. I imagine the plant forcers—glass-topped boxes designed as miniature greenhouses to shelter and foster individual plants in the early spring—must be popular with the gardening

Reproduction of full page advertisement published in September



"One bee working alone can make no Honey"

Says Maurice Maeterlinck. It is by working as a *Hive*.

One man working alone can make no Money

THE DICTOGRAPH

System of Interior Telephones

gives to your organization the co-ordination—the working as a "Hive"—that means maximum production

With the Dictograph on your desk, "The Spirit of the Hive" will pervade your organization. For not only is your finger on the pulse of your entire organization, directing the co-ordinated intelligence that Maeterlinck calls the "Spirit of the Hive," but every Department is in immediate, automatic touch with every other—saving time, friction and temper.

Orders, information, instruction are passed down the line on the minute, errors are reduced to a minimum. Conferences that usually "kill" half the morning before you can get all of your executives together *are held over the Dictograph instantly*, and without a single man's leaving his desk

Apply the Spirit of the Hive to your organization. We will show you how.

DICTOGRAPH PRODUCTS CORPORATION
C. H. LIEBMAN, *President*

Executive Offices:
220 WEST 42ND STREET, NEW YORK CITY

Branch Offices in Principal Cities Throughout the World


Essay on Efficiency
C. H. LIEBMAN, President

A Few of the Hundreds of Busy Hives that recently adopted the

DICTOGRAPH

System of Interior Telephones

Arizona Fire Insurance Co	Phoenix, Ariz.
Atlas Tank Company	Cleveland, Ohio
Bangor Rwy. & Electric Co	Bangor, Me.
Bearings Service Co	Denver, Colo.
Berwind White Coal Co	Philadelphia, Pa.
Bowers Pottery Co	Huntington, W. Va.
Brinkmeyer, Geo. C. Co	Indianapolis, Ind.
Cambridge-Collieries Co	Cleveland, Ohio
Central Trust Co. Of Illinois	Chicago, Ill.
Cortright Coal Co	Philadelphia, Pa.
Davison Chemical Co	Baltimore, Md.
Detroit Creamery Co	Detroit, Mich.
Detroit Graphite Co	Detroit, Mich.
Diem & Wing Paper Co	Cincinnati, Ohio
Eastern Audit Co	New York City
Empire Plow Co	Cleveland, Ohio
Ernst & Ernst	Minneapolis, Minn.
Eschenbach Printing Co	Easton, Pa.
Etchison Hat Co., Inc	Richmond, Va.
Thomas Emery's Sons	Cincinnati, Ohio
Famous Players Lasky Corp	San Francisco, Calif.
Freedom Oil Works	Freedom, Pa.
Freihofer Baking Co	Philadelphia, Pa.
Gabriel Hosiery Co	Coopersburg, Pa.
General Spring & Wire Co	Detroit, Mich.
Grace, W. R. & Co	Havana, Cuba
Hoboken Land & Imp. Co	Hoboken, N. J.
Household Outfitting Co	Buffalo, N. Y.
Huntington Drug Co	Huntington, W. Va.
Independent Lamp & Wire Co	York, Pa.
Indianapolis Casket Co	Indianapolis, Ind.
Ingersoll Rand Co., of California	San Francisco, Calif.
La Fayette South Side Bank	St. Louis, Mo.
Lake & Export Coal Corp	Huntington, W. Va.
Land Title & Trust Co	Philadelphia, Pa.
Los Angeles Rwy. Corp	Los Angeles, Calif.
Mastin, T. H. Co	Kansas City, Mo.
Miller Owen Electric Co	Pittsburgh, Pa.
Morrell-Sousie Co	Syracuse, N. Y.
New Jersey Tobacco Co	Newark, N. J.
Noyes Buick Co	Boston, Mass.
Ocean Lumber Co	San Francisco, Calif.
Pelt, R. L. Co	Detroit, Mich.
Smith Oil Corporation	Tulsa, Okla.
Standard Oil Co., of Louisiana	Baton Rouge, La.
Susquehanna Steamship Co	New York City
Syme-Eagle & Co	Chicago Ill.
Templar Motor Corp	Cleveland, Ohio
Union Bag & Paper Co	New York City
Union Trust Company	Charleston, W. Va.
Vacuum Oil Company	New York City
Virginia-Carolina Chemical Co	Richmond, Va.
Warren Oil Co., of New York	Buffalo, N. Y.
Western Lithograph Co	Los Angeles, Calif.
Western Auto Electric Corp	Los Angeles, Calif.

DICTOGRAPH PRODUCTS CORPORATION
220 West 42nd St., New York City
(Check one of the squares)

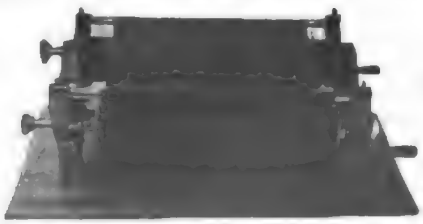
☐ **Free Booklet**—You may mail "An Essay on Executive Efficiency," which analyzes the problem of intercommunication.

☐ **5-Minute Demonstration**—You may give us a 5-minute Demonstration of the Dictograph with the understanding that it places the undersigned under no obligation.

Name _____

Address _____

ATTACH TO YOUR LETTERHEAD Bus. 9-21



Save Money on Your Multigraph Ribbons

The ink can be replaced in your multigraph ribbons time and time again, if you are equipped with a

HALCO Multigraph Ribbon Re-inker

This is our latest model Multigraph Ribbon Re-inker and it will replace the ink in your used ribbons in five minutes time at a cost of 7c for ink. Simple in construction and no experience needed to operate successfully. Guaranteed by us and sold subject to the approval of the user.

Price complete, with ink for 48 ribbons, $25.00. Send for this machine or further information NOW.

THE SHALLCROSS COMPANY 1450 Gray's Ferry Rd. PHILADELPHIA, Pa.

Catalog of this and other HALCO MACHINES on request



"I like a clean looking statement"

Mr. Smith first bought Buyers Ledger because the ledger we were using in our machines wasn't good enough to send to our customers.

Now he has adopted it for all our forms because it has such wonderful printing and working qualities.

I like its strength and firmness. It is so easy to handle. But most of all I like its crisp, clean appearance.

BUYERS LEDGER

A strong, moderate-priced paper for machine bookkeeping and statement work

"Buyers" is the identifying trade-mark for this ledger paper; it is the mark of the paper maker, not the jobber, converter or stationer. The mill holds itself responsible for the maintenance of the "Buyers" standard in ledger paper.

Any printer or stationer can supply Buyers Ledger in your work; it is distributed nationally.

FREE TRIAL SHEETS—If you wish to experiment in your own office, without obligation whatsoever, send for 25 Trial Sheets of Buyers Ledger cut to 12x12 inches (standard package; if other size is desired please specify). You decide whether Buyers Ledger will help your operators "get out the work."

CHEMICAL PAPER MANUFACTURING CO.
Holyoke, Massachusetts

public. Their appeal was certainl calculated to touch a tender spot.

One country gentleman up in Rock land county, New York, ordered ha a dozen forcers of each of three size He sent his check with the order. H mailed the order on April 14, and aske for prompt delivery. When thre weeks had passed and nothing ha developed—no acknowledgment, an no shipment of the goods—he wrot the manufacturer again, calling atten tion to the non-delivery. Finally, o May 13, a package was received Opened, it was found to contain a even dozen forcers, half a dozen o each of two kinds specified; but th third half-dozen were not there, an as they were of a type designed fo tomato plants, and as it was the specia ambition of this gardener to have extr early tomatoes that spring, the omis sion was particularly annoying. So he sat down and wrote a third epistle to the manufacturer. Finally, on May 22, the final consignment of forcers arrived.

But, during all these negotiations, that customer never got a letter from the manufacturer, who had spent good money in advertising to attract the attention of persons such as he. His order never was acknowledged. His remittance never was acknowledged, though the canceled check, which he received from his bank May 1, showed that it had been cashed promptly, several weeks in advance of the delivery of the goods. His complaint of non-delivery never was noticed, so far as any verbal response showed. His complaint of short-delivery never was answered.

There may have been the best of excuses for the delay in delivery. The manufacturer may have been swamped with orders; he may have been short of stock; railroad strikes may have delayed his shipments, the "flu" may have left him short manned—all sorts of reasonable explanations are possible. But none of them ever was offered to this customer, and naturally he made no effort to figure out the reason for the manufacturer's neglect. All he could think of was that he had been duped into buying a bunch of plant forcers that arrived so late they were of no use to him in anticipating the season. He had been tricked into something that did not pan out as advertised. His tender spot had been touched, invitingly, and then smashed without excuse or apology.

To "get him where he lives" you've got to know where he lives. And that takes more than the typical attitude of the "complaint" department. It involves giving up the idea of "complaints" altogether—dropping not only the name but the psychological reaction of which the name is only a label.

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At Midnight To-night 62 Buildings Will Burn—Are Your Papers Safe?

To-morrow morning a number of men will survey the ruins of their offices. You may be one of them, for every hour of every night and day sixty-two buildings are destroyed by fire.

ALL loss can be made good by insurance except the one most important thing—your business records. The cost sheets, price lists, contracts, all the organized data you have spent years in gathering, cannot be insured, and can seldom be replaced.

Are you "taking a chance," or are you one of those progressive business men who refuse to take such a grave chance, when important papers can be given the protection of an *Allsteel* Safe?

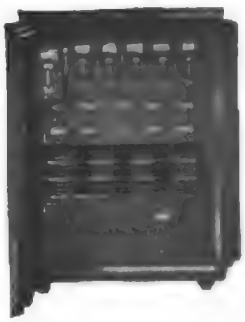
Worry ceases when you put your business records in this safe. It will keep your papers unscorched even through a conflagration. The Class B Model bears the label of the Underwriters' Laboratories, Inc., which means that it passes the terrific two-hour test at a maximum temperature of 1850° F. and a drop while red hot of 30 feet onto broken bricks.

The convenience of an *Allsteel* Safe is as great as its safety. It has maximum structural strength and yet can be easily moved about your office. It has more interior capacity than any other safe and you can choose the fittings to suit your own special needs.

Safeguard your success with a safe that is modern. Don't postpone a call at the *Allsteel* store in your town.

Allsteel Office Furniture

Ask to see the full *Allsteel* line of filing cabinets, desks, shelving—the equipment that belongs with success. A postcard brings you our 88-page illustrated catalog.



Allsteel Class B Underwriters' Model Safe. When door is at right angles, drawers can be pulled out, making it possible to keep safe in a corner. Door can also be folded back against side, as shown.

The General Fireproofing Company

New York Chicago Boston **Youngstown, Ohio** *Washington Atlanta Seattle*

Dealers in All Principal Cities

GF Allsteel Safes

The "V" PRINCIPLE

All automatic products possess in some form the patented expanding "V" feature, which has led us to correctly term them the only logical filing equipment. The file drawers expand when open, forming a "V" in the letters or cards, for ease in filing and finding. This action is like the opening and closing of a book, making filing easier, faster, and economical of space.

Our complete catalog No. 21-B will be sent upon request. Send for it—and look over the whole automatic line. Dealers everywhere

The Automatic File and Index Co.
South State St., Green Bay, Wis.

Vertical Desk Tray

One operation opens the lid, allows the front to fall forward. A very convenient file for papers demanding day-to-day or delayed attention.



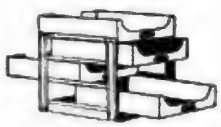
A "Getatable" Desk File

Packed tight, it will automatically open wide for easy filing and finding.
It is made in many sizes.



Desk Tray

The drawers are moveable. Can be had in any size up to six drawers.



Auto Desk Companion

Designed to stand within arm's reach of your desk and make its contents easily available.
It is to be had in either oak or mahogany, and is comparatively low in price.



AUTOMATIC
EXPANDING
FILES

The Only* LOGICAL *Files

There are lots of adjustment departments that are still complaint departments in the old sense. The best name of all is Service Department, for it expresses the motive and the method that ought to characterize all such work. The motive is that of satisfying, and the method is that of rendering service. Mere words are not sufficient. Promises alone won't do. What pleased Mr. Buckingham in his experience with the wheel-hoe dealers was not only that cordial, friendly, understanding letter, but the service that went with it—the prompt delivery of the parcel of parts.

A certain beginner in gardening, who had his first adventure with the soil in the spring of 1919, sent in his order last year to the same seedsman who supplied him in 1919. In the letter accompanying the order the customer mentioned that he had had little success with his bush Limas and the Fiery Cross Canna bulb—in fact, only five of the Lima beans came up out of two rows planted, and the Canna never showed above ground. He mentioned this only incidentally, by way of rendering a report, for he was a very new gardener and craved the advice of experienced heads and hands. Other gardeners in the neighborhood had told of seed rotting in the ground, and his intention in mentioning the matter to his seedsman was to give an account of his experience. Certainly he had no thought of making a complaint. Imagine his surprise, therefore, when a few days later he received this letter:

We were mighty sorry to learn of the bad luck you had last spring with the Canna and bush Limas. The season was so wet and backward that it was a trying experience for gardeners everywhere, and we only hope that this spring will come forward handsomely and more than make good last year's failings. By parcel post we are sending you another Canna bulb and another package of Limas, carefully selected. With them go our best wishes for the right sort of luck this time, and an altogether successful garden.

In the same mail that brought this letter the customer received the package containing his new Canna bulb and his new supply of Lima beans.

Is he pleased? Is he satisfied? Well, rather. He's a lifer for that seedsman. There isn't any question who'll get his orders, and his neighbors' orders—if the presence of a walking, talking advertisement in a neighborhood means anything to a business house. The extra Canna bulb and the duplicate package of Limas, plus the letter, did the trick.

It is this sort of treatment that holds customers—and we have been told that it is cheaper to hold an old customer than to win a new one. Of all customers in the world none is more elusive, none more sensitive, none more irretrievable when he is lost, than the hobbyist. It is this sort of treatment that gets him where he lives—because it truly knows where he lives, and knows how to go there.

Cut Your Stenographic Costs One-Third



Byron Cabinet No. 100-A

ELIMINATE the time your stenographer wastes in "preparing" to work. Give her a desk with a "place for everything"—letterheads, envelopes, second sheets, carbon papers, pencils—everything at her finger tips—ready without an instant's hesitation or delay.

Simplify your stenographic methods—save costly, unnecessary work—increase your stenographic output one-third by using the

BYRON
Typewriter Cabinet

Increases the efficiency of every stenographer—insures maximum efficiency in your whole office. Stands up well from the floor, and is therefore sanitary.

Occupies small floor space. The BYRON is always ready for instant use.

Write for illustrated folder.

Byron Typewriter Cabinet Company
1348 32nd St. LOUISVILLE, KY.



TO buy envelopes confidently you must know all the facts. Our "Buyer's Guide" tells you about stocks, styles and sizes. With it you can standardize and economize your buying. The Guide is filing size. You will find it invaluable. But the edition is limited. Send for your copy today. No obligation.

The
STANDARD ENVELOPE
Manufacturing Company

1013 Oregon Ave., Cleveland, O.

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A Cure for Townshipitis

(Continued from page 9)

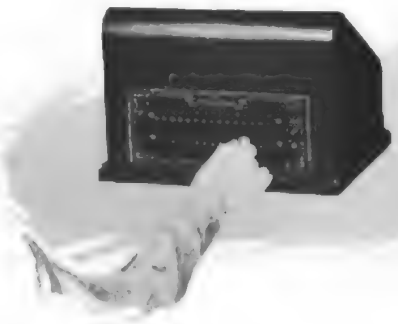
motor trucks owned by American farmers.

You must get the bureau's point of view. Consider, for a moment, what is probably the most spectacular piece of road work with which it has yet been concerned, the Lincoln Highway. Of the 3,323 miles of that magnificent route that will carry a motorist from New York to San Francisco in six hours less time than the distance is covered by transcontinental railroad trains—if he is in that much of a hurry—776 miles were the result of federal aid. Yet the Bureau of Public Roads thinks of its job as a whole not so much in the terms of the speeding, spectacular motor car as in the terms of the plodding, prosaic, heavily-laden motor truck. And, under present conditions at least, the motor truck has no business monkeying with transcontinental hauling.

Maps like the one showing the centers of production and the one showing the distribution of farm-owned motor trucks picture, graphically, two things: first, the need of roads in the less-developed regions like the Middle West whence come beef and wheat and wool and hides and where the motor truck must penetrate to fulfill its duties as the little brother, the feeder and complement, of the railroad; second, the need of roads in the more highly organized regions farther east, for instance, where the motor truck already is on the job. And maps like these give the bureau guidance in the judgment of road-building projects. Massachusetts, for instance, may get the idea that its shoemaking capital is getting less than its share of federal aid and point to the presumed fact that some middle western state is getting more than its share. Then Massachusetts is shown, by the maps, that that particular middle western state happens to embrace the cattle-producing capital of the country. Hides come from cattle and from hides come shoes. Massachusetts is satisfied.

Of course there are other factors—multitudes of them, it seems—to be considered. Four of them, for instance, are shown on still another road-bureau map. They are population, vehicles, miles of road and expenditure for road improvement per square mile for the year. Take Massachusetts, for example, and contrast it with Nevada. Massachusetts has 480 persons per square mile and 30 vehicles and 2.3 miles of road for the same area. Last year there was spent for road work in Massachusetts for each square mile of its area only eleven one-hundredths of 1 per cent of the state's total wealth. Nevada has only seven-tenths of a person per square

The Autocall a Real Factor In Modern-Day Business



A telephone operator working with an Autocall, will prevent costly delays and save valuable time for officials in every office, store or factory.

The Autocall is simple in construction and certain in service. With it in use, an official away from his desk is never "lost" no matter where he may be.

Calling officials is but one of the many uses of the Autocall. It summons and dismisses employees or classes; sounds conference calls; gives the alarm in the event of fire or robbery—and it saves time.

Write today for additional information and let us demonstrate, without obligation, the Autocall to you.

THE AUTOCALL COMPANY

210 Tucker Avenue Shelby, Ohio

"THE MECHANICAL FINDER OF MEN"

Conserves Time for Executives — Autocall — Improves Telephone Service

(56

You Want Good Work—



Your stenographer can't do her best work without proper equipment.

Furnish her a Ludington Copy Holder. With notebook squarely in front of her she can sit erect and transcribe your dictation accurately, and with greater speed. Holds securely a notebook or a single sheet. Also used by thousands of bill clerks and typists.

The Ludington Copy Holder can be attached to any desk in a few minutes. It folds up, out of sight, when not in use. Painted dark green, it becomes a restful background for the eyes.

Send now for a copy of interesting booklet "Stenography Made Efficient."

THE BEATON & CADWELL MFG. COMPANY

NEW BRITAIN, CONN.

ADVERTISING AND ADDRESS
STICKERS

Our Stickers grasp attention and interest. Our designers constantly produce novelties that are inexpensive business-getters. Whether it is a big or little order, we give it an expert touch that makes our Stickers distinctive.

We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
1627 WASHINGTON AVE.
ST. LOUIS, U. S. A.

What's Coming this Spring?

Are stocks a buy for the long swing?
Preferred stocks or bonds which in the present market?
How about money rates?

Babson's Reports

Babson's Barometer Letter just issued gives you the plain unbiased facts on the present situation, and forecasts coming conditions with remarkable accuracy. It contains information of vital importance to every investor.

REPORT ON REQUEST

Copies of the Barometer Letter are available for distribution to interested investors gratis. Tear out the Memo—now—and hand it to your secretary when you dictate your mail.

Merely Ask for Bulletin C-42

The Babson Statistical Organization
Wellesley Hills, 82, Boston, Mass.
The Largest Organization of Its Character in the World

CLIP OFF HERE

MEMO For Your Secretary

Write The Babson Statistical Organization, Roger W. Babson, President, Wellesley Hills, 82 Boston, Mass., as follows:
Please send me a copy of Special Bulletin C-42 and Booklet, "Should Business Men Buy Stocks?" gratis.

mile—a case, seemingly, in which it is possible for a person to be in one place and at least partially in another place at the same time—only eight-tenths of a vehicle and only one-tenth of a mile of road for every square mile of area. Yet last year there was spent in road work in Nevada fourteen one-hundredths—or three one-hundredths more than the showing of Massachusetts—of one per cent of the state's total wealth. What are you going to do in a case like that? To calculate which of those two states might be the more "deserving" of the greater degree of federal aid in road-building would carry you into the realms of higher mathematics, higher economics and higher ethics. Probably that is why the bureau has staff engineers, staff economists, staff engineer-economists—and possibly a sapient Solomon or two.

All right. Now what sort of roads are being built? When you ask that question the bureau puts away its statistics and its spotted maps and gets out blueprints and progress-photographs and slide-rules and things and begins to talk about sub-soils and sub-bases and surfaces and seepage and such. You get a condensed history of the engineering of road building.

You remember, of course, the macadam road. Your country cousins who lived on it called it the "stone pike." It was a thing of beauty, that road. Through the villages it lay like a great, white ribbon, fringed by the green of the hedges and the lawns, and in the sunlight of the open country it gleamed and sparkled against the more brilliant green of the fields of waving corn.

It was made of stone, that road, of white limestone. The stone had been broken into pieces of the size of a walnut, or larger, and "bound" into a mass by the inter-mixing of rock dust. Of course, the rain would wash away some of that "binding" dust. But the engineer, with his cunning, had anticipated that and had calculated for it. He knew that the clinking shoes of the passing horses and the crunching wheels of the passing wagons would grind up more of that dust to replace what was taken away.

As usual, the engineer was right. The stone pike retained its usefulness and its beauty until a new machine of locomotion came along. The automobile wore neither shoes that click and chip nor steel-shod wheels that crunch and crush. Its yielding rubber tires, whirling onward, paused just long enough as they kissed the road to cup themselves over the granulated surface, suck up that vital rock dust and cast it into the air. The wind did the rest. No longer did our pike gleam white in contrast to the green along its edges. For now the white



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was on the hedges and the lawns and the corn fields, and our road was on the vane.

The country cousins spat rock dust and swore. But the engineer who had built the road only smiled. He wasn't checkmated yet. He smeared the surface of that road with oil, tar, mixtures of asphalt, or concoctions of petroleum products, and laid the dust. The result was not a thing of ravishing beauty. The road, when wet, was skiddy; when dry and hot, it smelled. But it stayed put.

It stayed until the motor truck came along, with its weight of three or five or seven tons or ten, and its hardened-rubber tires. The motor truck took that perfectly good, re-improved, "permanent" highway, and, in just about three months, made of it a furrowed be-rutted lane.

The country cousins jounced through the ruts and swore some more. But the engineer didn't swear. He dragged out his instruments again and got back into the game. He's still at it. He has discovered new factors to be reckoned with and old ones to be readjusted, new problems to be solved and the solutions of old ones to be corrected, old laws and principles to be discarded and new ones to be established. He realizes the magnitude of the task; nobody realizes it more intimately and more keenly. And yet nobody is more optimistic about the successful consummation of his job than that same putteed, sun-tanned engineer, himself.

Over at Arlington, Virginia, across the Potomac from Washington, engineers of the Bureau of Public Roads have taken a tract of land about the size of a whole colony of those Ohio townships and have converted it into a huge outdoor laboratory for the testing of roads. They have a whole landscape to play with, and they are building roads, all sorts of roads, and then hammering them to pieces and grinding them up with heavy trucks and flooding them with water and freezing them generally and having just the grandest time you could imagine. They are concerned a good deal with one particular thing—impact.

Impact—that is a word the road-building engineer has had to take over into his vocabulary since he took the motor truck into his clinic. Impact is something with which bridge engineers have long had to deal, but for the road-builder it was "new stuff."

Impact does just the oddest things! Take a case right close at hand, right in your own home town. Consider the Main street bridge, where Main street crosses the river to go over on the North Side—although goodness only knows why it should want to go over there. But consider the bridge. Street cars use that bridge. When the engi-



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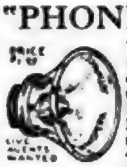
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neer designed the structure he anti pated that street cars would use it, ar in his calculations and his plans, provided for that use. He assume we shall say, that the cars would cro the bridge at a speed of twelve miles hour. When the bridge was comple it was fortified—harmonized, as were—against the impact of cars cro ing it at twelve miles an hour.

Now, consider Gus, the motorma Of course, you know Gus. He h been "on the line" for fifteen yea come next June. A couple of mont ago the newspaper had a piece abo Gus, with his picture, and some calc lations to the effect that he had driv his car—old One Hundred—a distan equal to three times around the eart this despite the fact that Gus has nev been out of town for more than tw days at a time.

Well, a month or so ago, Old Hu dred developed a flat wheel, a flatt wheel than usual for her. Now Gu had always been a little bit dubiou about that Main street bridge. Th flat wheel worried him. And so, whe he went over the bridge Gus slowe Old Hundred down—down to abou eight miles an hour. He got himse into the habit of flat-wheeling over th bridge at eight miles an hour.

A couple or three weeks went by Then suddenly, and to the astonish ment of everybody, somebody notice that Main street bridge was "out o plumb." One end had sagged. Gu said he'd always known it would hap pen some day; that's why he'd bee so careful crossing it. The count commissioners closed the bridge. A examination revealed that a stee member had failed. It had crystalized

Everybody was mystified. Nobod thought of blaming that crystalizatio on careful, conscientious old Gus, th motorman. Yet Gus, probably, wa to blame. When he had slowed Old Hundred down to eight miles an hou and permitted her to peg-leg across th bridge at that speed, he had thrown he out of harmony with all the impact calculations of the engineer. But simultaneously—and here's the rub— Gus had thrown Old Hundred into harmony with what engineers would call the "critical" rate of vibrations of the bridge itself. Old Hundred, bump ing carefully across at eight miles an hour—instead of twelve, which would have done no harm— had set the whole structure strumming from end to end. like the G string of some gigantic bass viol. Vibration of steel means crystal ization; and crystalization is the death of steel.

You could pick old Main street bridge up bodily and set it down over any stream over any highway in America. There might be no street cars on that highway. But still you couldn't get away from impact. For

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When is a partner released from liability?

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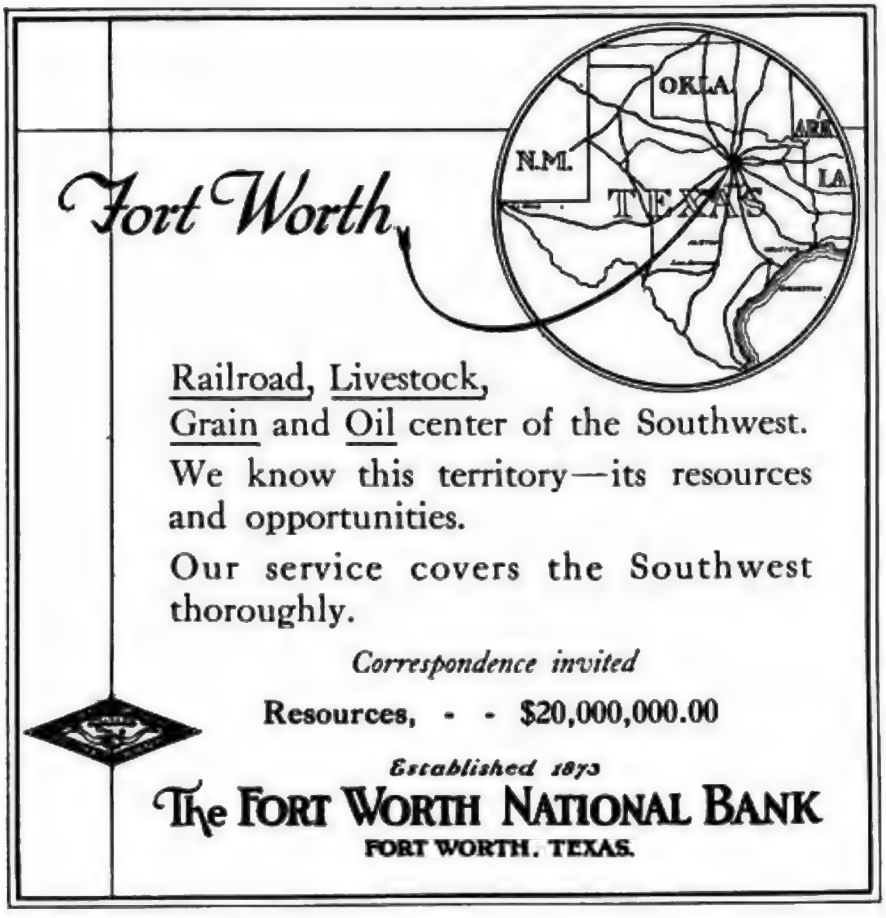
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motor trucks would use that highwa and cross that bridge. There woul be trucks of all sizes and weight traveling at varying rates of spee In wet weather their wheels would b shod with great lumps of chain an they would thump-thump along just they do when they pass your house an set your silverware to jingling. Impact No end!

Impact on bridges is just one of th more spectacular phases of an intricat subject that the Arlington enginee are studying. There is such a thin as impact, too, on roads. Take motor truck that weighs, with its loa just three tons, or 6,000 pounds. Sen that truck along at five miles an hou and permit it to drop off an elevation- an obstruction in the road—of just tw inches. Your 6,000-pound truck wi smite the road with a force of 11,60 pounds. At 15 miles an hour, a ver moderate speed, dropping off the sam two-inch elevation, it deals the roa a blow of 26,500 pounds—more tha thirteen tons!

The Arlington engineers have mea ured those impacts with ingeniou devices. They have determined th force of the impact, not only upon th road surface, but upon the foundation directly below and at certain distance to one side or the other of the point o impact. With these and with othe like experiments they have acquire bookfuls of knowledge about the law of impact. But impact, be it remem bered, is only one of many direction into which the Arlington engineers ar carrying their research work and trans mitting the findings of their experi ments to the road-builders throughou the states.

Frequently the Arlington laborator is the means of solving some specifi problem that is peculiar to some local ity. Alabama, for instance, has onl sand and clay for road-building mate rials. It is a policy of the bureau t further the use, in road work, of state's own resources. Accordingly to help Alabama—which had neve had any great degree of success wit sand-and-clay roads—the bureau turned its attention to experiment with sand and clay. At the Arlingto laboratory specimen roads were buil of these two materials and tested Finally the correct formula of mixtur of the two ingredients was worked out Alabama is using that mixture today

Money, enlightened engineerin counsel in the planning and building o roads—these things the federal govern ment is giving the states through th channel of the Bureau of Public Roads And the government is giving more When the war ended Uncle Sam wa left with a tremendous quantity of such things as steam shovels, motor vehicles wagons, dump-carts, picks and shovels Their disposition troubled him. "We

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can use those things in road building," the road bureau said. "Take 'em!" replied the War Department. The bureau took 'em and straightway gave them outright to the states. Equipment of this kind, to the value of more than $130,000,000, has been apportioned to the state highway departments.

And who, by the way, says that official Uncle Sam has no sense of humor? Col. H. L. Bowlby, who has charge of the road bureau's distribution of surplus war materials, handed me a statement showing the extent of the distribution of motor vehicles thus given to the states. The statement was headed: "Statement of Allotments and Deliveries of Trucks, Fords and Automobiles."

* * * * *

Your state has a highway department. Your community, through your state highway department, has access to federal aid in road-building. A multiplicity of townships, such as that with which Ohio is afflicted, or lack of superior road-making materials, such as that with which Alabama has to contend, may constitute an inherited misfortune. But mud-holes and "stubs" and all the other annoying symptoms of townshipitis are—to paraphrase Kin Hubbard's epochal remark about side-burns—a community's own fault.

Electricity Goes After Quota

(Continued from page 14)

employed by a Cleveland department store.

"I think I can set you up in a nice business of your own," Mr. North told Mr. Moore, in substance. "Come on around with me and we'll call on some of the electrical retailers."

The two of them made a canvass of retailers of electrical appliances and presented to each of the dealers a proposition by which Mr. Moore was to take over the window trimming of the store on a contract basis at so much per window, or—as the arrangement later was modified—at so much per square foot of window space. The dealers signed up, most of them with eagerness. Mr. Moore resigned his department store job. When I saw him in January he told me he was doing "right well." You can see the effects of his work on any business street in Cleveland.

On the average, the retail dealer in electrical appliances is a unique business man. The average drug-store proprietor got his merchandising start behind the counter of some drug store; the average grocer served his apprenticeship, probably, as a grocer's delivery boy; the average department-store executive is a man who has "grown up" in department-store work. But the average retailer of electrical goods is a

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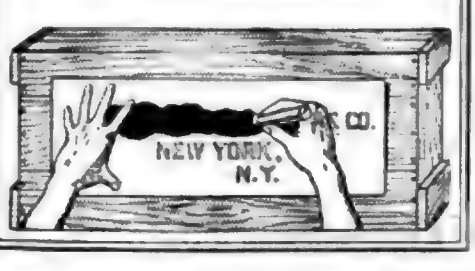
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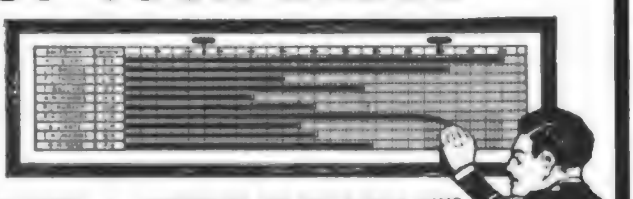
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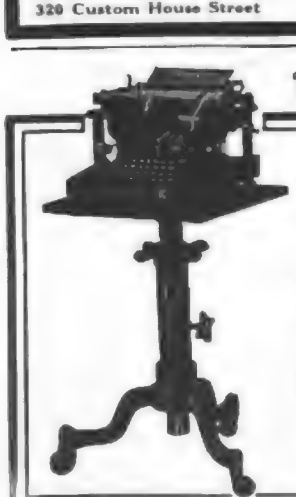
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man who first met the thing called volt when it smote him through th handles of a pair of wireman's pliers

Very likely he began as a wireman' helper. For four or five years he wor one-piece overalls every day an combed plaster out of his hair ever night. Then he was graduated int the eminence of a wiring contracto a station of life wherein he could hir other men to absorb stray shocks an wear overalls on their bodies an plaster in their hair. At about tha time he "opened up" a store—jus opened it up. Still he continued t devote most of his time and though to his contracting business. Th store? Well, it was open, wasn't it And Minnie was running it, wasn' she? It was doing business, and pro fitably—so far as anybody knew.

"But that's just the trouble," sai Mr. North, as he talked to me abou the retailer and his problems. "Th electrical dealer has had no training i merchandising. It doesn't interest him He doesn't realize that, in establishin a store, he has projected himself into new and entirely different vocatio that calls for specialized study. H just doesn't know the things that h ought to know about merchandising In fact, he doesn't know just what hi store is doing. For instance, conside accounting. The percentage of failure in business can be reduced if individua dealers and the heads of retail concern in the electrical field can be convince that a certain percentage of their gros income should be expended to giv them daily facts and monthly state ments about their business. Man failures—commercial failures, I mea —don't realize that they really ar failures. They continue in busines year after year, barely making a livin and realizing no return on their in vestments. They would be better o working on salaries for successful con cerns, with their capital deposited i savings banks at four per cent.

"But the encouraging fact is tha these retailers of electrical merchandis are, all of them, bright, intelligen wide-awake chaps. In the line of wor in which they have grown up they hav had to be alert. They *can lear* merchandising. They can learn i quickly. And when they have learne it, competition wants to keep out o their way!"

A school for executives—not onl executives of retail stores, but of job bing, wholesale and manufacturin concerns—is to be the Electrica League's next educational venture Classes are to start early this year There will be classes in store manage ment, factory management, personne work, accounting, finance, advertisin and the other phases of executive wor and executive requirement.

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A phone call or letter addressed to the Burroughs agency nearest you or to one of our offices will bring complete information, prices, etc., on these rebuilt Burroughs Bookkeeping Machines. It will pay you to ask about them.



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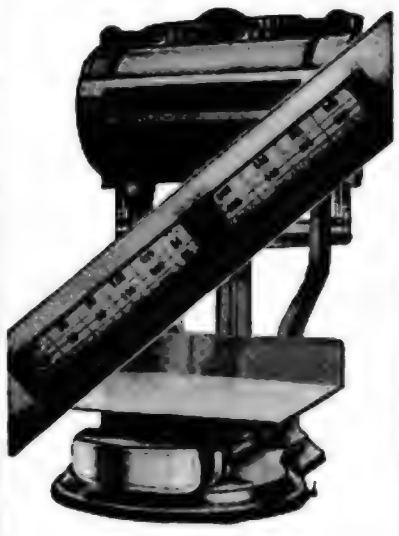
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actual progress and has been for several months another Electrical League school. It is most emphatically a going concern. I visited the League's school for salesmen. Never, anywhere, have I seen so much downright enthusiasm and so much pure and unadulterated earnestness within the four walls of a classroom.

This school was started back in September of last year. Electrical dealers had reported a shortage of salesmen. There were no salesmen to be had, not even salesmen with the thinnest smattering of a training in the sale of electrical goods. Sheer necessity created the school. Then science and refinement of method came along to help necessity round out the job. If we're going to train salesmen, said the league, let's train 'em right. L. H. Reiss, ex-salesman, former sales manager and former lecturer on salesmanship was engaged as instructor.

Twenty-three men constituted the first class. Of the twenty-three one was a district sales manager, five were appliance salesmen, two were wiring-contract salesmen, one was a manufacturing salesman, four were jobber salesmen, two were managers of retail electrical stores and seven were new entrants into the electrical trade.

The course, for which each student pays a tuition fee of $65, is just one month of working days long. Every working day of that month there is a class from 8 a. m. until noon. It is a strenuous, intensive course of highly organized instruction. Yet the attendance record that the instructor showed me was one of which a university professor might well be proud—if he could survive the shock of the surprise.

Early in the course the student is introduced to the fundamentals of marketing—such things as credit, accounting, statistics, actual selling and advertising. Then comes personal analysis. The student salesman is taught enough of psychology to enable him to take his own thinking processes apart and see for himself what makes them run. He is given a method for "checking up" his own personality at regular intervals and bolstering up the weak spots. He is taught to think in a straight line, to sharpen his powers of perception and to make more retentive his memory. He is coached and drilled in thinking and talking on his feet before an audience. He turns his scrutiny upon the customer and is shown how to analyze him and his mental processes from his appearance. He learns how sales executives survey their fields, how they use statistics and charts and how they establish sales quotas. And finally he goes through four lessons that take him, in detail, into the sale itself, from the approach to the closing.

I asked the instructor, Mr. Reiss, about results.



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"Tell you what you do," he said. You go over and talk to Mr. Watt. es, Mr. Watt. He was in the first lass—we called it the Pioneer Class. n fact, he's president of the Pioneer lub, into which all our graduates go. he club, you know, meets every week ere at the league headquarters for iscussions of sales problems."

I found Mr. Watt as the proprietor f an electrical-appliance store in one f Cleveland's multitudinous arcades. lis full name is K. M. Watt. I don't now what his first name is, but it ould very appropriately be Kilo. I sked him what he thought of the chool for salesmen.

"Of course," he said, "I'm for it—trong. But perhaps you are interest-d in the specific thing that, of all the hings I got out of the course, I value ost highly. It was the study of ersonality—of my own personality nd of the personality of the customer. Ve had a slogan, 'Keep the boss on the ob.' The 'boss' was one of our own ersonal characteristics that we were aught to test out and keep up to tandard; it was will and initiative. I hall never forget that slogan. I use t every day."

There was an interruption. Mr. Watt was wanted out on "the floor" to eal with a customer who had asked or the proprietor. I trailed along to isten.

The customer was a quiet sort of hap, middle-aged, a skilled laborer of ome sort, I deduced. He wanted 'to look," he said, at an electric wash-ng machine. He was thoughtful, tudiously thoughtful, and he asked eading questions about mechanism and naterials. I did not time the sale, ut the transaction was completed, I should say, in twelve minutes. The consideration was $180.

Back in the office again, Mr. Watt aid:

"Now did you notice that man—ow he acted? When I looked at him I knew he would act just that way. I new how I should talk to him. He as easier, a good deal easier, to sell han his type indicated. I worked aster—maybe because you were wait-ng—than I would otherwise have done. But I kept in the right track. You aw the result.

"And, by the way, if you see Mr. Reiss again I wish you would tell him hat in the sale you just witnessed I sed our classroom 'stuff.' Tell him hat, although the customer was of he alkali-reflective type, I worked apidly and sold him—probably be-ause he had done his reflecting at ome. Tell Mr. Reiss that—'alkali-eflective.' You may not know what t means, but he will know."

I delivered the message. But I don't know yet what alkali-reflective neans.



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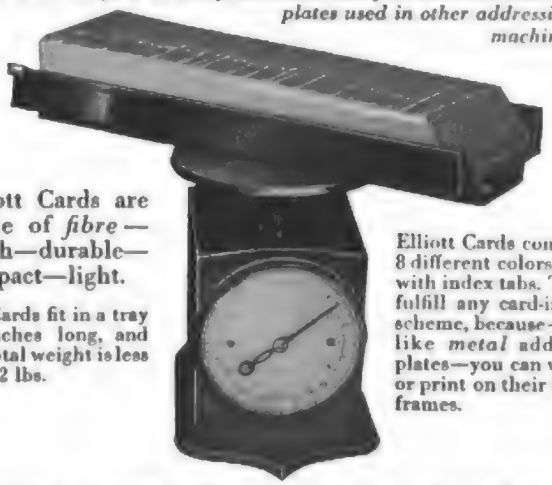
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"The firm will never miss it"

Ed Stacy (of course that isn't his real name) was only getting thirty-five a week, but he bought a little car and then a bigger one, and after a while he began talking about his house and inviting the boys over for a game once a week.

Ed had been chief stockkeeper for several years in a well known automobile accessory house located in the middle west. Everybody liked him and it hadn't occurred to the general manager to try to check up the reason why purchases of parts in one or two lines sometimes seemed heavier than was called for, and the parts account was getting to represent a good many thousand dollars.

When it came to a show down, Ed was given an extended vacation and it was decided to put in some sort of a stockkeeping system.

About this time a Burroughs salesman came around and learning the condition of affairs, offered to show how, with the aid of a Burroughs Bookkeeping Machine, they could keep a daily balance on all the parts and accessories in stock, the items and values in detail on separate sheets in a loose leaf ledger and the totals of all carried on a control sheet.

The outcome of the matter was that a Burroughs machine was purchased and a simple method of stockkeeping applied that put an end to the troubles in the stock room.

Their Burroughs (a Commercial Bookkeeping Machine) gives an accurate check at all times on the stockkeeper; it gives proof and constant balances on all items of stock, makes it easy to carry a perpetual inventory that can be checked up at frequent intervals, shows what is on order and places responsibility for all deliveries.

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This concern was so well pleased with the operation of the system that the manager has recommended the system and equipment to his friends with the result that fifteen of these have already bought Burroughs Machines and installed the same system.

Your stock record problem is probably different from the one given here, but Burroughs accuracy, speed and the daily check on every item in stock can be applied to your work just as easily as it has been done in hundreds of other businesses. Just get in touch with the nearest Burroughs office, where you will find men able and willing to help you get the answer to your accounting problems.

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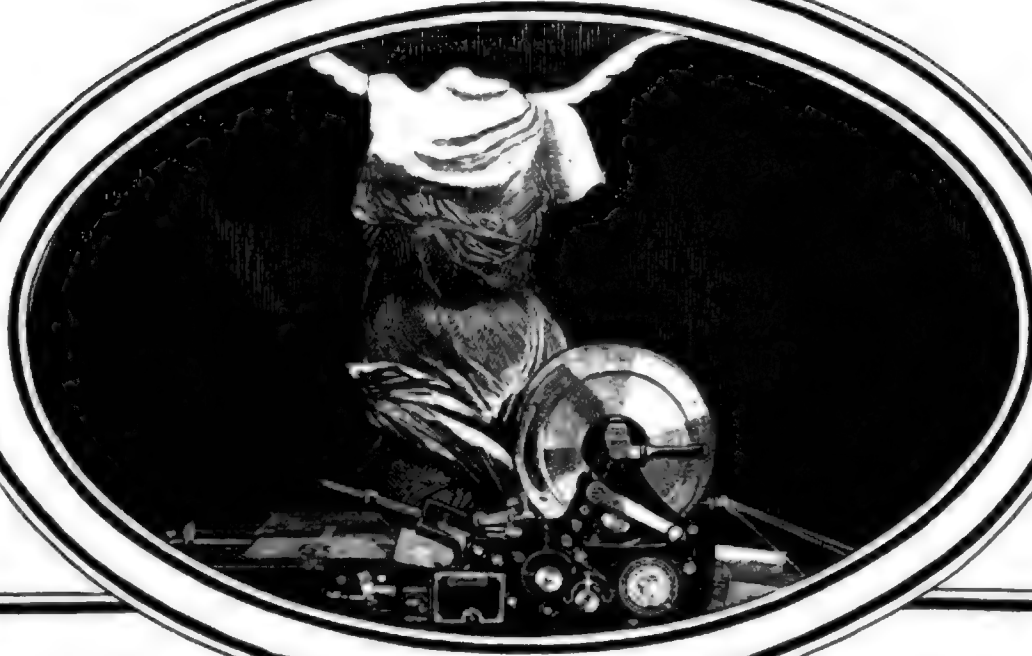
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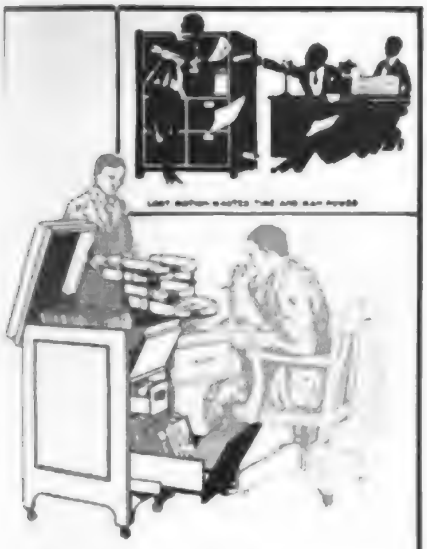
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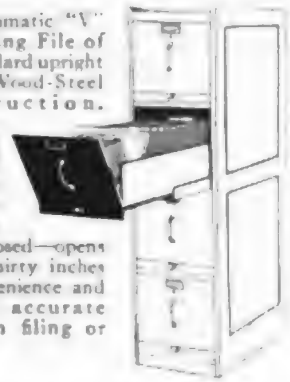
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VOLUME TWO

BUSINESS

NUMBER SEVEN

APRIL, 1921

LUCIEN KELLOGG, *Editor* S. D. R. SMITH, *Business Manager*

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The Globe-Wernicke Co.
Cincinnati, Ohio

Volume 2
No. 7

BUSINESS

April
1921

"All They Can See is the Price"

By ARTHUR H. LITTLE

IT HAPPENED in a little upstate town in New York. The man in the telephone booth evidently was a local retailer. It was late afternoon. His store, we gathered, was still open. To do his telephoning in privacy he had to come to the hotel and avail himself of the booth.

What he didn't know was that the telephone booth had no ceiling. For some reason or other the hotel management had placed the thing in the most inappropriate of all places for a ceilingless telephone booth—in the writing-room. There were a half dozen or so of us in the writing-room, all transient guests and all busy at the writing desks.

Now, although the man at the phone didn't know that the booth had no ceiling, we others in the writing-room all knew it. We knew it the instant he began to talk. He was talking over long-distance wire to New York—talking, it seemed, to some wholesaler or jobber of men's shirts.

"Hello—Jake?" he said. "Can you hear me? This is Morris up at Blankville... Yeh, Morris. Listen, Jake, have you got any stuff on the floor that you can shoot up to me in a hurry? I want some pin-stripes, pretty good-looking stuff, but not over twenty-four dollars a dozen. You know the kind of stuff I want... Yeh, the same as that. Make it about ten dozen for now... Yeh. And listen, Jake, can you hear me? Get 'em up to me somehow tomorrow or next day, not later. I gotta have 'em quick. ... Yeh. Twenty-four dollars a dozen that I can retail at three-thirty-nine. I'm putting on a sale, thirty per cent off, and I'm run out of stock. . . . Yeh, don't mention it. So long."

I told that story to another merchant, a retailer of men's apparel in a big city. But he didn't laugh. He didn't even smile. Possibly that wasn't the fault of the story. The story was handicapped. My observation seems to indicate that it takes a tremendously funny joke nowadays to get a laugh out of a retailer. When I told him the story this big-city merchant shook his head, deprecatingly, and observed, "That was pretty raw." Then he sighed and said, "But——" There he stopped and threw his hands outward in a gesture of helplessness.

"But what?" I prompted. He specified.

"Prices!" he said. "Prices! That's all everybody is thinking about these days, all everybody is talking about, is prices! I work with price tickets all day and dream about 'em all night.

"Nobody pays any attention to merchandise these days. All that anybody wants to know about is the price. It's been this way for a couple of years. Style and fit and material and workmanship have nothing to do with a sale. The only thing the customer looks at is the ticket. America has become a nation of ticket shoppers.

"It has gone from one extreme to the other. At first, say a year ago last fall, the stuff wasn't expensive enough to suit them. I've seen a man come in here to buy a suit of clothes. A salesman would size him up and show him a suit. The customer would try on the coat. He'd take a look at himself in a mirror. Then he'd ask, 'How much?' The salesman would say, 'Sixty dollars.' Off would come the coat. 'Got anything better?' 'Yes,' the salesman would say, 'here's a suit at seventy.' The customer would give that a passing glance and say something about 'a little softer finish.' And so he'd keep on going up, past eighty and eighty-five and ninety to the most expensive suit in the house—a hundred dollars. He'd put on the coat. But did he examine the fit, or ask about the material or the tailoring? He did not. He'd crook his arm



"He'd crook his arm like a man looking at his wrist watch and squint at the price ticket"

like a man looking at his wrist watch and squint at the price ticket. A hundred dollars! He'd take it.

"Salesmanship? The price tickets were our salesmen. We ran a serve-self store. Anyway, that's what it amounted to. All we had to do was drag out the goods and show the price tickets. The customer took a look at the tickets and sold himself.

"Now it has gone to the other extreme. Before, the stuff had to be expensive enough to suit them. Now it can't be cheap enough. They don't care any more than they did before about quality. The only thing they can see is the price ticket.

"I've slashed my stuff. Last fall I lopped off twenty per cent. Then I lopped off fifteen more. In January, when I took inventory, I re-priced everything in the store on the basis of what it would cost to replace it on the present market. You see that ready-to-wear section? Well, there's just eighty-five thousand dollars in mark-down in that section alone. See those silk neckties over there in the neckwear section? They're marked at eighty-five, one-fifteen and one-eighty-five. A brother of mine who's on the road for a neckwear house is selling that stuff to retailers right now at fifteen dollars a dozen. You see those reefers—scarfs, we used to call 'em? They're silk, combed silk, and they're imported from Switzerland. Take a look at 'em."

I held in my hand a piece of merchandise genuinely lovely, a thing that glowed with that softness of color that is the rainbow's and had the softness of texture that is the zephyr's.

"What do you suppose those things are worth?" my merchant demanded. I shook my head in doubt.

"We're getting six-fifty for them," he went on. "They cost us eighty-four dollars a dozen. At that price they stuck the jobber that imported them. He paid a hundred and forty-four dollars a dozen for those reefers.

"But do my customers appreciate that sort of thing? Huh! Does a wise guy appreciate *anything*? And that's what customers have become—wise guys. They don't know any more about merchandise values than they ever did; they just think they're wise. They've seen prices tumbling. They think they're going to wait until they tumble some more. All they think about is the price—is it cheap enough?

"Day before yesterday a man came in here to buy a suit. I happened to overhear the conversation between him and the salesman. He tried on a coat and asked, 'How much?' The salesman said, 'Sixty-two-fifty.' The customer took off the coat and put on his own. 'I'll wait until your prices come down,' he said. It didn't seem worth while to tell him that that suit cost us sixty-eight dollars. But that's what hurts—to slash your stuff so that every sale simply adds to your loss and then have the ticket shoppers tell you they'll wait until you cut your prices."

Now a man, you know, can stand only so much of that sort of thing. Outside, I knew, the sun was shining. I sought the open air. Later I hunted up another retailer of men's apparel. This one, I knew, handled high-grade merchandise. I suspected, besides, that he might have a different point of view.

"How's business?" I asked him. But immediately I corrected myself.

"Pardon me," I said. "I withdraw the question. What I mean is—what's to be done about it?"

HE smiled. It was a wintry smile, however; one might almost have called it bleak. He came back at me with a counter question.

"When a man's draft number was called," he asked me, "what did he do about it? He took his medicine. If you mean what we retailers are to do about this buyers' market situation, then I say, 'Take our medicine.'

"The public is buying on price, low price. What did we do when the public was buying on high price and demanded quality regardless of cost? Did we ask what was to be done about it? We did not. We gave 'em quality, and they paid the price for it. We gave them what they wanted, and they bought. What's the answer today? The same thing.

"When any sane merchant finds on his hands a line or a lot of merchandise that will not move, what does he do? He dumps the stuff—prices it so it will have to sell—and gets out from under. That's what I have done during the past four months. When I cut I took a loss. But I'm catching up. Many a merchant has been able to dump his high-price merchandise, buy new stuff at the market, and, out of the profit on his new-basis business, virtually recoup himself for the loss he took when he sacrificed his old stuff."

Here was a retailer, I thought, whom it would be safe to ask a question that I had in mind. It is a question, I have found, that is likely to draw forth from a retailer just now some such reply as this: "Ha, ha!"—not a laugh, but quite the sardonic opposite. However, I made the plunge and asked this retailer:

"How about salesmanship? Do you find it useful just now?"

"Ab-solutely," he said, "Why not? Aren't we selling, or trying to sell merchandise? I'm absorbing every selling idea I encounter. I'm holding weekly meetings of my salesmen at which we talk nothing but salesmanship. We stage demonstration sales."

"Where do you get your selling ammunition?" I asked.

"A lot of it comes from the salesmen that come to sell me merchandise. When I buy a bill of goods I demand two things: I want the merchandise and I want whatever knowledge the salesman can give me of how to sell that merchandise over the counter. When a salesman sells me a new line, or when one comes in with an old line that I have been carrying but that hasn't done very well, I plant Mr. Salesman in my office and then I go out into the store and bring in those of my men who will sell or are selling that stuff. Then I say to Mr. Salesman: 'Now I want you to tell all of us—not me alone but all of us—just why your goods are better than competing merchandise. How is your stuff made? Tell us some interesting facts about the material and why those materials have been selected.'

"Fifteen years ago my brother and I had a men's store in Chicago. For years we had bought our gloves in just the ordinary way, from just ordinary salesmen, and sold them in just the ordinary way. One day a glove salesman walked in who was different. The first thing he said was, 'I



"The retailer may have problems peculiar to his locality and his trade"

want to tell you some things about gloves.' He opened up a kit—the first demonstrating kit I had ever seen—and gave us the doggonedest lecture on gloves you ever heard. He told us how the skins were tanned, why certain kinds of leather were selected for certain purposes, how the parts were cut and how gloves were stitched together. Right from the start that salesman—his name was Hayes—made a hit with us. We bought his gloves. The information he gave us helped us sell his gloves to our customers. When we bought more gloves we bought from Hayes."

"How about the—er, wise guys," I asked, "how about the customers that want to argue about values?"

"If it's clothing, I show them the little book," he said. "Here, wait a minute."

From a pigeon-hole in his desk he drew forth a blue-covered booklet, dog-eared from usage. "I show 'em this," the retailer went on. "This isn't *my* word, you see. It's the word of the manufacturer whose clothes I sell. There, you see in the first paragraph it says that there's less than five dollars worth of wool in a suit of clothes. When customers tell me how much raw wool has come down, I show 'em that. It answers a lot of other arguments, too, for it discusses styles and why they change, workmanship and what makes it expensive, and so on.

BUT the function of salesmanship isn't to answer the wise guys nor to end arguments. There's such a thing as constructive salesmanship. The average man, you know, doesn't anticipate his needs in merchandise. His wife anticipates her needs. She doesn't put off buying an umbrella until the day she happens to get caught down-town in the rain. In January she begins window-shopping for a spring hat and in June she begins filling the summer evenings with talk about winter furs.

"A man doesn't buy that way. Take straw hats. The average man doesn't buy his first straw hat of the summer until the first hot day. Then he comes in here pell-mell and runs into a mob of other desperate buyers up there in the hat section on the mezzanine. They paw each other and crowd and swear, but each of 'em buys a straw hat. No one of them cares what sort of hat he gets, so long as he gets a straw hat. It's the same way with athletic underwear, which is offered as early as April and May, and with gloves, which are offered as early as July or August. Left to themselves, men will not buy those things in advance.

"But constructive salesmanship will move that sort of merchandise. Every man that comes into this store between the first of March and the first of April is a potential buyer of a straw hat and at least one suit of summer underwear. In *my* store we're going to remind him that he will need those things; furthermore, he's going to be *shown* those things. Salesmanship may not be powerful enough to act on men at long range and change their habits of buying. But salesmanship, applied right here in the store, will act on men who admit that they will need the merchandise and it will change them into buyers."



"The average man's wife anticipates her needs. She doesn't put off buying an umbrella until she happens to get caught down-town in the rain"

Hats, underwear, shirts, suits, gloves—what next do men need? Obviously, shoes. I sought a retailer of shoes. He is the manager of a six-story shoe store "on the avenue." He is, I should say, still in his thirties. His office is on the second floor.

When I entered the office the manager was out. I was told he would come in shortly. He did come in—shortly. He came in emphatically. His heels, although shod with rubber, hit hard. He was breathing heavily and his face was flushed. He was, in short, decidedly angry. He told me why.

"Did you see that man out there by the elevator?" he demanded.

"Yes," I said, "I noticed a man standing there. Why?"

"Well," said the manager, "he'd just bought two pairs of shoes for his boy. Evidently he knows me for the manager. Anyway, when I passed him just now, he said to me, 'I should think you fellows would be ashamed to charge the prices you get.'"

"What," I asked, sympathetically, "did you tell him?"

The manager looked thoughtful. "I suppose," he said, "that I shouldn't have said what I did. But it was just about the last straw. I told him I hoped his little boy wouldn't have to go bare-footed until those shoes come down any more.

"You know, we've just finished an inventory of everything in the store, giving it the replacement cost as the new basis and adding our mark-up to that. Then a customer tells us we 'ought to be ashamed!'"

"But," I asked, mildly, "is the whole thing hopeless?"

"What," he came back, "business hopeless? Lord, man, no! These things just make it annoying, that's all. But say, I'd rather have this job of mine, right here and with business conditions as they are, than have any other job in the world! Why? Because it's the grandest opportunity that any man ever had to make skull practice and work produce results.

"We've got to have speed. But there's danger in striving too much for speed and neglecting other things. We're operating on a reduced margin of profit. We've got to cut the corners.

"We've got to be more careful in buying. There's no positive way of predicting what you're going to sell except from what you have sold. Do you know that in this big store of ours we know the sales behavior of every shoe that we carry, and know it all the time? Here, let me show you what I mean."

From his desk he drew forth a typewritten tabulation, parallel columns of figures running down long sheets of paper.

"The column on the left," he explained, "is the lot number of the shoe. That column, next to last on the right, is the inventory of last month; and that one, last on the right, is the inventory of this month. Every month I have that line-up right here on my desk. It's drawn off our perpetual inventory."

He unsheathed his pencil.

"Now here," he said, pointing to an item on the top sheet, "look at Lot Number eleven-eighty-seven. On the first of last month we had 292 pairs of that shoe. On the first of this month we still had 288 pairs. Something wrong there. I found out what it was—wrong kind of buckle. Eleven-eighty-seven is a dancing pump, with a strap across the instep. The strap has a buckle. Our customers seem to think, from what I learned in the section where that shoe is sold, that the buckle is wrong. It isn't. That pump will sell. Watch our advertising.

(Continued on page 24)



Back-Door Bankrupts

By WILLIAM C. CAMPBELL

DO YOU ADMIT," I asked the secretary of the credit men's association in a good-sized city, "that the credit men of the country are a bunch of boobs?"

He took off his glasses, carefully, and laid them on his desk. Then he laid his pencil, carefully, alongside his glasses. When he spoke his voice was low, but it carried an ominous note.

"Are you sure," he asked me, "are you sure that you haven't got into the wrong office?"

Then I told him, rather hurriedly, that the sentiment concerning the credit men was not my own. I explained that it had been expressed to me, in substance, by a referee in bankruptcy—in fact, by two referees. I told him what the two referees had said about credit men. I did not tell him all that the referees had said. But goodness knows, what I did tell him was enough!

The first of the two referees was by way of being a minor leaguer. His office is in a town of some 14,000 inhabitants and he has jurisdiction over the county of which that town is the county seat and the metropolis. The second referee does his refereeing in a city of more than three-quarters of a million and his federal bailiwick consists of the county that barely holds that city. I had picked the two of them because I thought they would be different. I found that in many respects they actually were different; they held some differing opinions. But in one striking particular they were alike. They united in giving the credit men of the country—well, they didn't speak at all highly of the credit men. Not at all!

To start at the beginning: I went to the small-town referee to ask him why business men fail.

"I think there are three principal reasons," he began, "and those are: incompetence on the part of the bankrupt; dishonesty on the part of the bankrupt; and sheep-headedness on the part of the credit men. Really, I don't know just how those three causes rank in importance. Sometimes I think incompetence comes first; at other times I think dishonesty heads the list; and at other times I'm certain that the credit men themselves are mostly to blame."

He paused, seemingly for reflection, and went on:

"As a matter of cold, statistical fact, I suppose, incompetence on the part of business men causes the most failures. Bradstreet gives it a proportion of thirty-eight and two-tenths per cent among all the causes of bankruptcy.

"The trouble seems to be that men go into business—into retail merchandising, for instance—without realizing that the retailing of merchandise is a man-size job, a calling and a vocation that demands special aptitude and special study. A man who wouldn't think of opening a doctor's office without training in medicine will scrape together a few thousand dollars and jump into the retail grocery business without knowing anything more about that business than he knows about medicine.

"There's a case here in town. A merchant, a man who knows retail merchandising from the ground up and from twenty years of study and experience, has built up a wonderful grocery business. In the store, working for him, were five young clerks. They were bright young fellows, those clerks. They were crackerjack retail salesmen. And they'd been watching the wheels of a successful business go 'round—watching them from the inside. They thought they knew the grocery business. Each one of them had saved a little capital and each was waiting and watching for his chance to go into business for himself. They all went.

"The first one stepped out last spring. He bought a little store out in the outskirts of town. One by one, the four others followed his example. Where are the five of them now? Well, they've all been through here—through this bankruptcy court. They're all busted; and they're all back where they started—working for their original boss. He's glad to have them back, because they're all crackerjack salesmen.

"That's just one instance. I could cite you dozens of others; and so could any bankruptcy referee. Incompetence, it seems, is like the poor. It's with us always. And if you ask me, I'll have to admit that I don't know how incompetence is to be eradicated from business.

"Then there's dishonesty. Now understand me, I don't mean that all bankrupts are downright and deliberately dishonest. Such a statement

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would be absurd. But the fact of the matter is—at least, it looks that way to me—that a great many bankrupts, sooner or later in the course of their progress through bankruptcy, are more or less dishonest. I am speaking of technical dishonesty.

"Take the case of an upright, honorable merchant whose business, for one reason or another, is going wrong. At first that man will not admit, even to himself, that things aren't breaking right for him. He casts up a balance sheet. On his books, among his accounts receivable, are items aggregating a thousand or fifteen hundred or two thousand dollars that, at best, should be classed as doubtful. As time goes on, those doubtful accounts become worse and worse. Anyone but the merchant himself would know that they're absolutely worthless and should be written off the books. But the merchant carries them along on his balance sheet and continues to regard them as realizable assets. Maybe he will tell his creditors the same thing.

"He isn't honest, strictly speaking, with his inventory. He pads it. Of course, he doesn't pad his inventory by listing merchandise that doesn't exist or that he doesn't own. But he pads it by carrying along, from season to season and at its original value, merchandise that really is deteriorating and depreciating in value every day.

"And so he is dishonest, strictly speaking, with other phases of his business: with his rate of turnover, for instance, and with the ratio between his expense and his sales. Little by little he pulls the substance out of his business and leaves nothing but the shell. Then—crash! Three creditors with bills against him aggregating five hundred dollars or more throw him into bankruptcy and his business vanishes.

"Then, of course, there are the deliberately dishonest bankrupts. They are the fellows that go into business with the intention of later going into bankruptcy. They lay their plans and shape their policies to that end. And they get away with it. I call 'em 'successful bankrupts.' They're the only individuals, not even excepting the bankruptcy referees, who really make any money out of bankruptcy."

The referee paused again and drummed, musingly, on his desk. He smiled, whimsically, and went on:

"You know, in this business a man learns a great deal. Let me tell you something. I believe that, with the methods that I have seen demonstrated right here in this court, I could take a man, set him up in business with a few thousand dollars, coach him for two or three years, and then put him through bankruptcy with howling success. In the process he not only would have beaten the smartest credit men in the country, but he would have used those same credit men to make himself an independently rich man. Why, the woods are full of successful bankrupts!

"The credit men of the country ought to go to school to some successful bankrupt. He could teach them things about their own business that they've never dreamed of. If I had a big business of my own and were looking around for a credit manager, I'd want no better man than some ex-merchant who had made a success of bankruptcy. I'd hire him—provided I was certain he wouldn't wait until my back was turned and then steal the safe."

"But how do these—er, successful bankrupts get away with it?" I asked.

"If you mean what do they do with the swag, I can't tell you. But that's the simplest part of the trick. Usually the get-away is too easy to be thrilling. It's the preparation that often is intricate and interesting."

THEN he told me of three cases. One was the story of the progressive young grocery merchant, right there in town, and his back door. The second was the story of the merchant and the money-lenders. The third case was that of Gashie Stein and his wife, May, and the fifty-one trunks with the human names, and the seven cats. The wife and the trunks and the cats made Gashie's story quite complicated.

The first progressive young merchant—the one with the back door—bloomed forth upon this conservative little county seat of 14,000 law-abiding souls with quite the snappiest grocery store the town had ever seen. He carried the best of everything in grocery merchandise. He wore an apron as spotlessly white as a bartender's used to be. He joined the Chamber of Commerce and the Ad Club and the Retail Credit Men's Association; he contributed, liberally and smilingly, to program advertising and other charities. The fame of him and his store spread far and wide. Salesmen of jobbing and wholesale concerns that sold him goods carried back to their "houses" enthusiastic reports of this new and promising customer.



Three policemen walked in and the metallic clicks of two pairs of handcuffs snipped off two long and successful mercantile careers

The new merchant prospered. He took on a staff of clerks and clothed one of them with the authority of assistant manager. He bought a delivery truck. Then he took a vacation—said he'd be away for a month, maybe a couple of months.

Now what he did on that vacation did not come out at first. It didn't come out, in fact, until it was dragged out in testimony later, in court—in the bankruptcy court. But this is what he did:

He went over into an adjoining county, and in its county seat he set up another store. Although it was smaller, it was almost exactly like the first store. But there was this important difference: the name of the proprietor was entirely different. But, like the first store, the second was fitted up with a self-propelling assistant manager and a staff of clerks. Then its proprietor took a vacation.

He went back to his first store, took his apron off the nail and went to work. Yes, he told his customers, he'd had a grand time on his vacation. He said that he felt like a new man. What he meant, possibly, was that he felt like two men. But let that pass.

Now consider the back door. It belonged to the first store. Consider, also, the first store's motor truck. Put the back door and the motor truck together and contemplate the combination. Yes, you've guessed it. Every night the proprietor of those two stores backed his motor truck up to the back door of his first store and loaded it with heavy boxes and barrels and crates of merchandise. Then he drove his truck over to the other store in the other county, unloaded it, and drove back for another load. Every day, meanwhile, he was spotlessly beaproned and very much on the job as proprietor of the first store. It was a bit wearing, perhaps, to work hard all night with the motor truck and then be immaculate and bright and cheerful and optimistic and accommodating for the inspection of customers all day. But it paid. At least, it would have paid if a world-wise and

(Continued on page 28)



By Way of Seattle

By GEORGE F. PIERROT

FORENOON on the largest pier in the world.

Six huge trans-Pacific freighters disgorging tons of queer-looking freight.

A fussy switch engine rattling a long line of "empties" down a ship-side track.

A giant shear-leg derrick hoisting railroad coaches to the deck of a storm-beaten ship.

Three furtive-looking electric tractors inveigling long trains of trailer cars into a shed.

An elevating device, electrically driven, easing big, brown, ragged-looking bales into place in orderly piles.

An overhead pipe-line pouring smoothly flowing oil into tank cars.

A half-mile and more of this; a half-mile and more of massive machinery, of wide-spread buildings, of threading railroad tracks, of rolling smoke and hissing steam and busy noise, and of smells—the sharpened, spicy smells of ships that come in from the sea.

There you have a minute's impressions of Pier "A," one of the six terminal piers operated by the Port Commission of the City of Seattle, metropolis of the northwest corner of the United States.

That stacking elevator has a past. Not long ago baled freight was handled by gangs of men.

A bale of "gunnies," or gunny sacking, size one cubic yard, is unbelievably heavy. It may weigh 1,800 pounds or more. As many as ten men were needed to stack it.

One day two officials watched longshoremen wrestling with a shipment of gunnies. One was a traffic expert. The other was an engineer.

"That costs too much money," said the traffic expert.

"We'll stop it for you," replied the engineer.

They talked it over.

The result was the invention of this machine—an electric portable stacking elevator, capable of lifting any bulk up to 3,000 pounds. This device has drawn inquiries from all sections of the United States. An "A" frame mounted on an electric tractor carries the load. The machine resembles a pile driver, except that in place of the hammer is a small platform two and one-half feet square, which moves up and down in the frame. To operate, the platform is dropped to the ground. The bale is placed upon it and carried to the stack.

"In discharging a single cargo of gunnies with this machine we saved $712," says G. F. Nicholson, chief engineer of the Port Commission. "Fourteen men were eliminated from one hatch and the machine worked three piles at once. This $712 virtually paid for the machine."

This incident illustrates the enterprise of the Seattle Port Commission. No wonder the terminals have cleared $925,000 since 1917.

THE six splendid terminals of the Seattle Port Commission are the pride of the Pacific Coast. They are situated on Elliott Bay, itself classified by the United States Shipping Board as the best American harbor. Present values make them worth approximately $18,000,000. Today they are handling 62 per cent of the foreign commerce of a port which in 1918 was second only to New York in value of exports and imports.

The Port Commission owns and operates the two largest piers in the world. These are approximately one-half mile long and more than 100 yards wide. Together they boast nearly eight miles of railroad track.

Proprietorship in the terminals is vested in a municipal corporation, including the City of Seattle and all of King County. This corporation is permitted to tax, issue bonds on the vote of its constituents, exercise the right of eminent domain, own and operate auxiliary transportation facilities and otherwise carry on the work of a terminal company. In form, the corporation was an innovation in the business world.

Competing with private concerns, it returned in 1918 the sum of $642,480.85. This represents clear profit, after interest, depreciation and all overhead charges had been deducted. The terminals paid their own way from the first. Pier "B" began to earn money before it was finished. The Port Commission has not used funds derived from taxation since 1917.

Energetic Seattle business men had talked "Port Commission" many years before the project was born. Nature had given Seattle Lake Washington and Lake Union and Elliott Bay. Seattleites obtained government cooperation and connected these lakes with Puget Sound by a ship canal, the locks of which are second in size only to those of Panama.

Then they deepened the Duwamish waterway. This made Seattle virtually an island, accessible to ocean vessels on every quarter—a Manhattan of the Pacific. Her water frontage was raised to 193 miles, 53 miles of which is on tidewater. Puget Sound, the largest natural harbor in the United States, affords a channel 15,000 feet wide at its narrowest point, a channel that is never less than 136 feet deep. Incom-

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ing vessels do not need a special pilot.

The Seattle Port Commission was born in 1911. To date its bond issues total in round numbers about $6,000,000. It has been independent of the taxpayers, virtually, from its beginning.

"Come now," says the skeptical business man. "You can't tell me that any public corporation is a model of efficiency. I'll bet your prosperity is due to war-time conditions anyhow. I've heard of these 'cost plus' successes before. How about politics? Politics and good business aren't close associates. You've got to show me."

"Sure!" says the Seattle Port Commissioner. He courts investigation. He elucidates:

"First, look at our organization. The Bush Terminals in New York are run in much the same way. We give three elected commissioners full control. All three are business men of wide experience. That's the qualification for directors of any successful corporation, isn't it? The functions of the commission are exactly parallel to those of a large private enterprise."

Which is true. Every office in the Port Commission belongs there. There are no "extra" employees. Actual administration is carried on by four departments—executive, traffic, auditing and finance, and engineering. The three commissioners, with their executive secretary, make up the first division. Each commissioner personally supervises one of the three other departments. Experts fill the subordinate positions. Experts—there you have the Seattle Port Commission in a nutshell.

Now, for how the enterprise operates.

First, there is nothing "cost plus" about it. "Cost minus" would be more nearly accurate. The Port terminals are on a strictly competitive



Cargo of steel and knocked-down cars at Pier "A," Seattle, awaiting export

basis with private wharves. They must earn a profit under identical conditions. The Port Commission's customers are shippers who will patronize other docks unless they get a maximum of service at a satisfactory price. Unaided by subsidy, the terminals have been making money. To make money they have had to operate more economically than their privately owned competitors. On the score of economy, the Port Commission's terminals have set a record.

The economy was made possible through the intelligent use of machinery. Seattle has more diversified cargo-handling equipment than any other port in the United States, with the exception of New Orleans. These appliances, large and small, are valued at approximately $827,946, almost equivalent to the original cost of one of the terminals. Making this heavy investment pay its own way requires first-class executive talent.

Electricity is the Port Commission's standby. Electricity, port engineers say, is cheaper, cleaner, saves space, and lessens fire hazards. As the State of Washington is estimated to contain one-sixth of the potential water power of America within its borders, electricity promises always to be cheap.

Each of the six terminals was built with a particular regard to location and to the probable needs of commodities that would pass through it. First of all, the terminals are wide. This provides a broad docking area. Goods are not stacked to the ceiling—there is no necessity. Low piles are easier on the cargo and much cheaper to handle. It costs money to stack grain fifteen sacks high. Also, plenty of room makes it easy to load and unload vessels quickly. Congestion is headed off. Freight elevators, large enough to accommodate a tractor and several trailers and placed at strategic points, serve the upper floors. Thus there is no time lost through uncoupling cars and moving them one at a time.

The piers have been made durable and fireproof by concrete construction wherever practicable. The warehouses are equipped with automatic sprinklers.

Warehouses adjoin transit sheds in all of Seattle's terminals. Thus cargoes may be stacked in the warehouses direct, without dock storage and rehauling to a point of rest.

Pier "B," the latest terminal to be completed, is the world's largest, surpassing in area even the famous municipal pier at Chicago. Pier "B" is 2,580 feet long and 365 feet wide. The ground-floor area is approximately 22 acres. Piers "A" and "B" together can accommodate twenty-two ocean-going freighters.

Two transit sheds, 130 feet wide by 1,000 feet long, still leave the greater portion of Pier "B" for out-of-door storage. There are nearly five miles of trackage on this dock, including four depressed tracks running like a wide backbone down its middle. This insures speed and economy in handling cargo.

Machines are cheaper than men. The Port Commission has used this truth to advantage. Consider, for instance, the handling of fish.

Suppose you are a shipper of salmon and you are shipping by way of Seattle. You merely send your bill of lading to the Seattle Port Commission. The



Frozen halibut and salmon stacked like cordwood in the fish warehouse

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Three hundred thousand cases of vegetable oils from the Orient

Commission's traffic department will do the rest for you.

A case of salmon, forty-eight tall cans, weighs seventy pounds. The traffic department will receive it from the vessel, load it direct into a railroad car, or hold it in the warehouse and re-ship it later, at your order. The total charge for this service is only 5 cents a case. Wharfage adds 1½ cents a case. If you want to store it, the charge is 1½ cents a case a month. Divide the total terminal charges by forty-eight and you will see that handling at Seattle adds very little to the price per can at the grocery store.

How can the Port make a profit at such a low charge? The answer is simply—machinery. The salmon are lifted from the ship's hatch in twenty-five-case lots, stacked on a salmon board. Two of these boards, each weighing, loaded, 1,700 pounds, are deposited on a trailer car. Electric tractors haul five or six of these trailer cars, coupled together, to their allotted place in the warehouse. An electric stacker enables two men to pile the cases eighteen feet high without trouble. So much for salmon.

Now, suppose you bring a boatload of fresh fish to the dock. An electric derrick lifts the cargo from the hold. The fish are taken to the workroom and cleaned. Next they are placed in freezers, where, at a temperature of 28 degrees below zero, they freeze hard. Then they are dipped in water. This process glazes them with a thin coating of ice. Rigid, they are stacked in storage rooms like so much cordwood. Halibut, salmon, bass, flounders, herring and even devilfish, esteemed a delicacy in Chinese restaurants, as well as many other finny varieties, are found here.

For freezing, washing, canning, glazing and the first month's storage, the charge is only 85 cents a hundred pounds. Each additional month costs but 17 cents a hundred pounds. And on those rates the Port Commission makes money. Now, consider for a moment heavier traffic.

To watch the shear-leg derrick arch itself over a freight car on a ship-side track and swing stupendous loads of goods from the carrier into the hold of a ship is to visualize true, big-scale efficiency. The seventy-five-foot boom of this derrick will serve the hold of the largest vessel afloat. The machine's capacity is 125 tons. The derrick is in itself one of the best trade magnets owned by the Commission. Its fame has attracted an immense amount of business to the Smith Cove terminal. Among its exploits was the loading of all the steel coaches for the United States government railroad in Alaska.

At the same pier is the 325-horse power gantry crane, costing $60,000. It is electrically driven and lighted for night operation. It operates on parallel rails 200 feet apart. It will pile freight to a height of forty feet, over an area 200 feet wide by 1,000 feet long and nearly five acres in extent. On each end of this crane is an apron or extension, capable of reaching forty feet out over the water in one direction, and over the pier's sunken railroad tracks at the other. Cargo can be loaded direct from railroad car to ship. The crane has handled as much as 110 tons of knocked-down box cars in an hour.

Locomotive cranes, ranging in capacity from fifteen to thirty-five tons and with fifty-foot to seventy-five-foot booms, have been found great money savers in assembling cargoes on track. Elevators, second floor platforms, electric tractors, gasoline tractors and other light equipment complete the the Port Commission's mechanical handling facilities.

Oil is one of Seattle's chief imports, and a large part of it is handled through the Port Commission docks. The term "oil" includes all varieties from the Orient—peanut, soya bean, cocoanut, rapeseed, perilla, hempseed, sesame, tea, wood, and even that bane of childhood—castor oil. Recognizing Seattle's strategic location as an Oriental oil depot, the Port set to work to develop proper oil-receiving facilities.

In consequence, the Smith Cove terminal is equipped to care for 9,000,000 gallons of vegetable and fish oils. Concrete underground storage tanks with a capacity of 400,000 gallons have been installed. Steel oil tanks, to the rear of the oil dock, will hold 2,500,000 gallons. There is also storage area for 5,000,000 gallons of case oil at the terminal. An overhead pipe-line, 1,000 feet long, carries the oil into tank cars. Large heating rooms and a boiler plant have been installed to liquefy cocoanut, peanut and heavy oils.

The success of the Seattle Port Commission, however, must be attributed to more than machinery alone. Careful management is equally vital. Here again, an expert is on the job. He is an efficiency engineer.

Let us say that the *Horaisan Maru* is due next week. The efficiency engineer receives a chart showing a cross

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With this electric conveyor two men can easily pile canned salmon eighteen cases high

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How to Figure Profits

By H. VICTOR WRIGHT
Director of Research Bureau, American National Retail Jewelers' Association

IT HAS BECOME a custom of merchants, in referring to the cost of doing business, to speak of a given percentage on sales, as for example: If the net sales for a given year were $60,000 and the cost of operation was $20,000, we would refer to our cost of business as 33⅓ per cent—that is, 33⅓ per cent of the net sales.

In determining what margin of profit to place upon our goods we have become accustomed to speak likewise in percentages, but in this instance, unfortunately, we have almost invariably spoken in percentages upon the *cost* of the goods to be sold, rather than in percentages of the retail or selling price.

For example: If we have bought a bill of goods for $1,000, we say that we will add a profit of 50 per cent and obtain $1,500 for this particular merchandise.

This custom has caused endless confusion and frequently great loss on the part of those who are not familiar with accounting methods and the principles of good merchandising. It has frequently been assumed, in fact, that if the volume of sales was $75,000 and the cost of doing business was $25,000—33⅓ per cent—a mark-up of 50 per cent on cost would insure a very comfortable margin of net profit; and many a merchant has operated on this assumption to his lasting sorrow.

Among the advantages to be derived from figuring percentages on selling price, rather than on cost, we would include the following: (1) dealing with smaller percentages of profit; (2) elimination of much guesswork in establishing retail prices, through a better acquaintance with the cost of doing business which this revised method would encourage, and (3) a quicker realization of the net profit involved.

Briefly discussing these three advantages, we would say, in the first place, that dealing with smaller percentages of profit will often serve to disabuse the mind of the retailer who doubts whether he is justified in adding to his laid-down or invoice cost a percentage that really is essential to his progress. It will similarly correct a mistaken notion in the minds of uninitiated employees and of the general public, who may regard the percentage added to the cost of goods sold as unreasonably large, while they ignore the fact that the invoice cost of merchandise is only one factor in its cost and that to this factor must be added all the costs of doing business.

In the second place, we believe that dealing with a smaller percentage—the percentage on selling price rather than the percentage on cost—will greatly encourage the merchant in his determination to know at all times the actual cost of doing business in order that his mark-up may provide for all the factors of this cost and for a reasonable percentage of net profit.

Cost	33⅓% Equal to 50% added to Cost	37½% Equal to 60% added to Cost	41% Equal to 70% added to Cost	44½% Equal to 80% added to Cost
$2.75	$4.25	$4.50	$4.75	$5.00
3.00	4.50	5.00	5.25	5.50
3.30	5.00	5.50	5.75	6.00
3.60	5.50	6.00	6.25	6.50
3.90	6.00	6.50	6.75	7.00
4.25	6.50	7.00	7.25	7.50
4.50	7.00	7.50	7.50	8.00
4.75	7.50	8.00	8.00	8.50
5.10	8.00	8.50	8.75	9.00
5.40	8.50	9.00	9.25	9.50
5.75	9.00	9.50	9.75	10.00
6.00	9.00	10.00	10.25	10.50
6.30	9.50	10.00	10.75	11.25
6.60	10.00	10.50	11.25	11.75
6.90	10.50	11.00	11.75	12.25
7.20	11.00	11.50	12.25	13.00
7.50	11.50	12.00	12.75	13.50
7.75	12.00	12.50	13.25	14.00
8.10	12.50	13.00	13.75	14.50
8.40	13.00	13.50	14.25	15.00
8.75	13.50	14.00	14.75	15.75
9.00	14.00	15.00	15.25	16.25
9.60	14.50	16.00	16.25	17.25
10.25	15.50	16.50	17.50	18.50

A few figures from a schedule published by the Research Bureau of the American National Retail Jewelers' Association. In the column at the left find the figure that represents the cost of the article you are about to mark up. To learn the necessary percentage of gross profit, based on sales, add the percentage of cost of doing business and percentage of net profit desired. Follow the horizontal line designated by the cost figure to the column headed by the percentage of gross profit desired, and find the selling price

The third advantage is explained by the fact that the cost of doing business is commonly expressed in a percentage on sales; hence we know that if we base our mark-up likewise on sales our profit must be the difference between these two percentages. If my cost of doing business is 35 per cent on my sales, and if I mark up a piece of merchandise 45 per cent on the selling price, I know that my net profit will be 10 per cent of the selling price.

Probably no other factor is so much to blame for the surprises and disappointments occasioned by the end-of-the-year showing as the incorrect pricing of merchandise, and this incorrect pricing may be attributed chiefly to errors in computing profit percentages.

Many a retailer has been misled by the statement, in itself entirely correct, that goods bought at $10 a dozen and sold at $15 a dozen will yield a profit of 50 per cent, and has assumed that because his cost of doing business is around 33⅓ per cent he obtains a substantial margin of net profit.

What the retailer overlooks is the fact that the 50 per cent is a percentage on cost and the 33⅓ per cent is a percentage on sales. The truth is that 50 per cent on cost would yield $5 a dozen, and 33⅓ per cent of $15 is also $5, so even though the retailer knows his cost of doing business to be 33⅓ per cent and has overlooked no items of expense, such as depreciation, rent of store that is owned, and his own salary, nevertheless he has sold his merchandise without making a profit.

Let us assume that the cost of an article is $6.60 and that the cost of doing business is 30 per cent, which, with 5 per cent excise tax, involves a total cost of 35 per cent, and that we desire a 10 per cent net profit on sales; then it will be necessary to provide for a total mark-up of approximately 45 per cent of the selling price.

If the merchant has at hand a profit schedule he can see at a glance that an article that cost $6.60 and is to be marked up 45 per cent on the selling price should be priced at $12. This selling price will take care of the cost of doing business and give him the net profit he is seeking. Were it based on cost the percentage that produces this selling price might seem large, but when it is based on selling price it will appear more conservative; what is infinitely more important, it will readily be seen to be essential if the cost of doing business is to be covered and a reasonable percentage of net profit is to remain.

If we are marking silverware at 60

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Come On, Sunshine!

By E. W. DAVIDSON



White goods require less light than colored goods

SILENCE settled down at last over Quintus H. Stanton's flat-top. The two directors of the Houser Department Store's destinies had been facing their great problem over that desk since eight o'clock that night.

And while they were still facing it manfully, though the clock hands were both upright like a jackrabbit's ears, the battle they had been giving that problem had finally resolved into trench warfare, dogged but inactive.

For five full minutes neither the grey-templed Stanton nor his brother director, the sleek Charley Brokaw, uttered a word. The clock ticked right along.

"Well, there doesn't seem to be much to say," finally sighed Stanton, champing the cold, dead cigar in his mouth.

"Not much," admitted Brokaw, "but those figures have been talking so loud the last couple of hours it's a wonder a crowd hasn't gathered down in the street to see what's going on in here."

The elder man merely glanced at his partner. He didn't smile. Neither did Brokaw; but his spirits were on the rebound just the same.

"Q. H., I don't know why, but I've got a hunch something's going to pull us through this. Come on. Let's go home and sleep."

So they went, Charley Brokaw to slumber and Q. H. Stanton to insomnia.

Theirs was a problem of turnover and of good will. For a year they had been fighting, buoyantly at first and later fearfully, to revive and save the old Houser Store.

The idea was Brokaw's. When it was evident that Old Man Houser didn't have a kick left in him, Brokaw had come over to the store from Booth's and quietly proposed to Stanton that they sound the Old Man and see how highly he valued a 51 per cent interest and complete management.

Of course the Old Man, exhausted by his struggle, listened to reason. So Brokaw, with his clean reputation as a square citizen and up-and-coming buyer and business man, and Q. H. Stanton, long recognized for his stability and judgment, if not for ultra-progressiveness, cornered a banker at a propitious moment and convinced him.

They took over their 51 per cent. The Old Man loosed the reins for good and started on a year's vacation trip.

The Houser Department Store brushed up and let the hopeful reorganization be known as far and wide as there were listening ears.

The new management cleared out a lot of deadwood, both in stock and personnel, Stanton with deep regret and Brokaw ruthlessly. Their reorganization sale drew moderately well, but after that—

It seemed impossible to make the city realize what was going on inside the Houser Store. They tried everything they knew, these two; but the musty old Houser recollection refused to rout. Of course they bought newspaper space—lavishly. That helped, but not enough. Of course they tried to dress the old store up and whetted the sales force and put up one big leader after another with reduced prices as bait; but nothing seemed to pull the store out of the muck. People just wouldn't get the side-street habit.

Their loan was too small to carry the store more than a year at this rate and the director-partners had hit their absolute borrowing limit.

It was something akin to desperation that drove them to a between-seasons sale—a sale as honest as all their other dealings with the public.

Seeing this expedient, heads of the bigger, competitive stores smiled wisely if not a bit sadly, and sent their scouts over to the Houser Store to see what it had in stock that might be bid for when the crash came.

It was the record of this sale and the store's balance sheet at the end of it that harassed Q. H. Stanton and Charley Brokaw that memorable night.

Next morning there were deep circles under Stanton's eyes.

"Well, Charley, got the big idea yet?" he queried.

"Nope, but I'm going to spend the rest of the week traveling. Somewhere there's the solution of our

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problem. I'm on its trail." Brokaw was smiling as he dropped his tan bag beside his desk and began reading the mail. He took the 10:15.

It was Sunday afternoon before the worried Stanton heard from him next.

"Come on downtown, Q. H., I want to talk to you," came Charley's voice over the telephone.

"Seems like you're always shouting to me to 'come on' somewhere," complained Stanton; but he got his hat and hurried hopefully down the street.

In front of the store was Brokaw with the janitor. As Stanton approached, he noted every light in the store was on.

"Well?" queried the elder director.

"Hello," said Brokaw. "Look here."



The paint should be of a kind that throws back as high a percentage of light as possible without glare



Carefully shaped reflectors place the light exactly where it is needed

The younger man held in his hands four photographs of store interiors.

Stanton looked.

"Uh-huh," he grunted, noncommittally. "Pretty good-looking stores, but what—"

"This is the way these stores look as you enter them," explained Brokaw, eyes on the pictures. "Taken from the inside of the front doors at my direction. Don't they say 'Welcome,' though? And don't they give you the feeling that you're going into a nice, warm, cheerful, good-fellow sort of place? And doesn't that kind of feeling make folks buy goods?"

Stanton looked again, this time with more interest.

"They look pretty good, all right, but—"

"Of course they're only pictures. Not as good as the real thing. But I wanted to bring you some idea of it. Now come on."

Brokaw led the elder man into the doorway of their store.

"Does this gloomy hulk look like 'Welcome?' Look around you now and try to be a stranger. Does this place give you a warm, comfortable, good-fellow feeling? Do you feel like you want to stay in here, or beat it out as fast as you can?"

Stanton strove to look at the store with a stranger's eyes. It took too much imagination.

"Charley, this is no palace of light, but the old store looks pretty good to me. We spent a lot of money, you remember—"

"Sure we did, but we didn't do it right. I call this store a dark hole and so would you if you'd seen what I have.

"Here it is, the middle of a bright afternoon and the whole place seems smoky. These goods don't stand out and offer themselves, Quin.

"Come on. Look at the jewelry counter. Kind of sickly to my eye. Look how gloomy it seems around these dress goods. Fine, attractive stuff that is, too, by daylight. But it doesn't look it here.

"Now look in the men's suits and overcoats. Don't you have a kind of watch-your-pocketbook feeling when you walk in here? Too shady. You ought to see what I've seen!"

Charley Brokaw was his usual effervescent self.

"Quin, I've visited side-street stores about the size of ours that are pullin' 'em in by the eyes. Yes, sir. Not a bit snappier than ours, either, so far as stock goes. But display—we don't know what the word means!

"First we've got to get our stuff out plain. And then we've got to *light it.*

"Light—that's what we need. We want more light out in front—a regular beacon glare of it. We want our windows to outshine everything in town. And inside this store we want light from veils to ash cans and woodenware. We want this place to be full of a regular sunshine of light.

"Sunshine! That's the word. 'Sunshine Store.' How's that? Catchy and inviting, eh?

"Think of the hundreds of ways we could push that idea—'Sunshine.'" He seemed to be revolving the idea in his mind. "It's going to save us. Come on, Q. H., I want to show you some figures on it."

Up to the office they went, Brokaw bubbling, Stanton trailing along, feeling an awakening of buoyancy in spite of himself.

That was Sunday. Tuesday morning the Houser Store was invaded by a small army of painters and electricians. The entire main floor and basement were to be transformed after Charley Brokaw's new ideas. The upstairs was to remain untouched for the present as a concession to Stanton's conservatism. It cost money to do such things.

The middle of the following week the sunshine idea was sprung in all the local papers. Saturday was "Sunburst Day."

Whereas, three weeks before, Q. H. Stanton had been sleeping only fitfully while Charley Brookaw missed not a single restful snore, now the case was

(Continued on page

Insurance to Your Measure

By LEONARD H. ALLEN

"*SALESMANSHIP*," said Professor Lovelace, drawing a diagram on a sheet of paper as he explained the matter to me, "may be likened to the structure of a pine tree. Thus, all selling starts at the same place, the ground. For some distance upward all selling follows the same line, the trunk of the tree. That common line represents the science, the psychology, of selling.

"But as the line goes upward the branches begin. Each branch, as it springs away from the trunk in its own direction, represents the specialized selling of some particular commodity. The lower branches spring out from junction points closer to the ground. They have less of trunk and more of branches. Thus they may be taken to represent what we might call the lower orders of salesmanship—the sale of staples.

"But the trunk of the tree, which we have taken to represent the science of salesmanship, extends upward beyond the junction points with those lower branches to other junction points, where higher and finer branches spring off; and still the trunk goes higher and higher, to give off still higher and finer branches, until it reaches the very top. As we go upward the branches become shorter and finer and more numerous. But the main line, the stem, the trunk that represents the underlying science of salesmanship, runs straight through the structure from the bottom to the top.

"I know of no other phase or department of salesmanship that is nearer to the top of the tree than the salesmanship of life insurance. Nothing that I know of involves more pure science in the selling. And that, really, is why we have undertaken to teach the selling of life insurance: because its principles embrace and transcend the principles of all other selling work. We have undertaken to teach the selling of life insurance and we shall do our utmost to do that job well. But meanwhile, and all the while, we are exploring the vast field of the teaching of the science of selling as applied to anything."

Professor Griffin M. Lovelace is secretary of the School of Life Insurance Salesmanship of the Carnegie Institute of Technology, at Pittsburgh. Besides, he is professor of life insurance practice on the school faculty. University educated, he served a high apprenticeship in life insurance work before he undertook to teach how to sell insurance. Since 1918 he has been a member of a big staff of experts and specialists who, at "Carnegie Tech.," are applying scientific methods to the solution of some of the major problems of business.

A roster of the faculty of the Institute's school of insurance salesmanship would strain the alphabet to provide letters with which to designate scholastic and honorary degrees. But it seemed to me, after Professor Lovelace had explained the plan and method of the school and after I had sat in classrooms and heard lectures and recitations, that the names of two important members of the teaching staff had been omitted from the official list. These two were Professors Principle and Practice.



At 2 o'clock Tuesday afternoon Mr. Oldhead, who has the territory under the Pittsburgh agency, trails along with the student for a call on the ripe prospect and makes a noise like a specialist

In the Institute's method of teaching the selling of life insurance, principle and practice constitute a beautifully co-ordinated team of co-operating pedagogues. From the top of the curriculum to the bottom, and from the beginning of the eleven-week course to the end, the two of them work side by side, the one guiding and checking and rounding out the work of the other. Basically, as Professor Lovelace explained the plan, the school teaches four things: the principle and practice of life insurance and the principle and practice of salesmanship.

The principle, of course, is a classroom product that comes out of books. But the practicing is done, not in a four-walled laboratory on the campus, but in a larger laboratory than that—the highways and byways, the offices and homes of the city of Pittsburgh. Principle dictates and suggests what practice should do; and practice, at work on the insurance prospects of Pittsburgh, dictates and suggests what principle should teach—and points out its mistakes. The idea, you see, is rather complicated; it sounds paradoxical. But the method works.

Classes start four times a year, in the autumn, winter, spring and summer quarters. To enter the school a student must be between twenty-one and forty-five years of age and in education must have had the equivalent of two years in high school. He may, or may not, have had experience in the selling of life insurance. It is noteworthy, incidentally, that of the students that already have passed through the school, 50 to 70 per cent have been college-trained and about 50 per cent have had some experience in life insurance work. The tuition fee is $100 for the course. The class is limited each term to one hundred students. In their attainments in classroom and laboratory the students must meet the high standards of requirement by which "Carnegie Tech." judges and grades and graduates all of its thousands of students.

Entering the School of Life Insurance Salesmanship, the student qualifies in two particulars: for his classroom studies and for his laboratory work in selling life insurance in Pittsburgh. For the latter qualification he establishes a working connection with the Pittsburgh agency of some life insurance company, becomes an accredited representative of that company and obtains a license to sell insurance in Pennsylvania. Then he settles down to work.

Every forenoon, starting at 8:30, the student spends four hours in classroom attendance at the school. Every afternoon he devotes four hours to selling life insurance downtown. He is a right busy young man. The problems of his teachers do not include that of keeping the student out of mischief.

The student's day goes like this: At 8:30 a. m. he answers the roll call in a class in practical life insurance salesmanship and spends an hour in the study of the selling of life insurance

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and in discussing and hearing discussions of sales situations that have arisen in the field work of his fellow students during the preceding afternoon. At 9:30 he hustles out to another classroom and to a class in the principles of life insurance and for an hour he delves into the matters of legal reserve plans, mortality tables, compound interest and discount in mathematical calculations, net premiums and the like.

When that class ends at about 10:29 he hasn't a thing to do but gather up his notebooks and his wits and insert himself into a class in the principles of salesmanship that convenes at 10:30. This phase of study is officially described as "a detailed analysis of the motives and tactics of the salesman and the buyer; the strategy of selling." It is well calculated to keep one occupied for an hour. At the end of that time the student's class work is over for the day—except for a class in the functions of life insurance and underwriting practice that begins at 11:30 and takes up such things as the "functions and needs for life insurance as the basis of the agent's profession, the needs for life insurance and how they are filled, home office requirements, the main legal obligations of companies and agents."

Admittedly, the study program as here outlined is a bit more intensive than the school's actual schedule. In point of fact, there are no classes at all on Saturday, and Sunday is a day of rest all day. Professors must have some time to think up answers to sudden and unusual questions.

To resume the day's program: At 12:30 or 1 o'clock in the afternoon the student reports at his downtown office and goes to work on his prospects. At the beginning of his term, and particularly if he is inexperienced, he devotes his efforts to the mere finding of prospects, to finding out useful facts about them and to establishing new points of contact that will lead to new prospects. He is taught to employ the "endless chain" method of providing himself with sales possibilities. Thus, one prospect tells him of another, the second suggests a third, the third confides the name of a fourth, and so on. So the student acquires intensive training in the art of finding prospects in a strange field, a highly useful accomplishment for a salesman of any sort.

IN his first field work the student salesman—unless he be unusually well experienced—sells no life insurance. In the jargon of salesmanship he is a doorbell-ringer. But never does he admit that status. To each of his prospects he is a duly accredited and fully adequate representative of the Blank Insurance Company, "just making a preliminary call to get acquainted, you know."

But suppose he encounters a "live" prospect, one who is ready to buy life insurance, what then? Does the inexperienced student admit that he cannot fill the order? Not he! "Mr. Prospect," he says, "our Mr. Oldhead is making a specialized study just now of exactly the sort of life program of insurance that I'm sure will fill your needs. I know he will be glad to call with me and talk it over with you. May we come in at, say, 2 o'clock Tuesday afternoon?"

The appointment made, the student reports to his office. At 2 o'clock Tuesday afternoon Mr. Oldhead, who has the territory under the Pittsburgh agency—and who, incidentally, relishes just such tips as these—trails along with the student for a call on the ripe prospect and makes a noise like a specialist. When the interview is over Mr. Oldhead has sold a $15,000 or a $25,000 life program of insurance, for which he gets the commission; the student has seen a sale consummated, and skillfully consummated, right before his eyes, and goes back to his bell-ringing with heightened enthusiasm; and the Pittsburgh agency of the insurance company once more is "sold" on what 'Carnegie Tech." is doing for insurance men.

"Life program"—did you note that phrase? It typifies the sort of insurance that students in this school of life insurance salesmanship are taught to sell. No graduate of such a course of training as that will go back to his own agency in Keokuk or Oklahoma City or Jacksonville and try to sell life insurance out of a sample case stuffed with black-leather notebooks and green-engraved specimen policies. He will sell his clients life programs.

Just as a tailor does, he will size up his man and measure him and note his roundnesses and his bumps and his knobs, and then he will cut and make and fit to that man a whole suit of insurance, coat and vest and pants and all. But with the sale the analogy ends. For when the policy has been issued, that client will have been "sold" for life. He will be insured in every direction and against every contingency. Such selling as that, it may be admitted without more than a modicum of quibbling, calls for a high order of salesmanship.

For two days I attended classes in the School of Life Insurance Salesmanship. I was present not as a student but as an observer. But I took notes and watched the blackboard and followed the text and tried to keep up with what was going forward.

My first class happened to be one in insurance functions. In this I had but little difficulty. Possibly that

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Mr. Moser, too, rose to the occasion. "I would say," he said, "'Yes, Mr. Prospect, a business man's obligation to his creditors is his first and highest obligation. But have you considered that if you should die your estate might have difficulty in paying those same creditors? With insurance, you can assure yourself that, no matter what may happen to you, this duty that you hold so highly will be fulfilled.'"

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Prize Ideas from the Ranks

Are Certain Expenses Too High, Certain Operations Too Costly? A Suggestion System Might Draw a Remedy from Some Employee

By GEORGE W. GRAY

A SALESGIRL in one of the New York stores observed that many customers had a curious habit of turning from the counter to glance hurriedly around the place. One day, after this momentary survey, a woman shopper asked the time. When the next customer looked around in the same searching way the girl noticed that at the end of her inspection the woman glanced at her watch.

It was enough; the girl got the idea. Today there is a big clock, centrally placed on the main floor of that store. Eventually the management might have discovered the lack of a convenience that many customers expected and looked for—it might have thought in time of the need of a clock—but it was the employee down on the floor who did think of it and had enough self-confidence to carry her suggestion to the office.

In the old days, boiler-makers had a lot of trouble with the bolts used in securing the plates together. Often the ends of bolts would get battered in the process of handling, and it was impossible to start the nuts on the smashed threads. Then one of the men in the shops suggested that the bolts be made with tapering ends, thus allowing a tolerance for rough handling. That simple suggestion of a worker has saved years of labor in the numerous plants where the idea is now used.

In a foreman's office in one Akron factory frequent use was required of a certain gauge. Invariably the gauge was out of sight, stuck in some pigeon-hole or drawer, or buried under a pile of papers, or nestling in the pocket of the foreman, assistant foreman, or whoever had used it last. Many valuable minutes were lost daily in searching for the gauge, until one day a workman suggested that the little instrument be attached to a chain and the chain fastened to the foreman's desk. This suggestion has worked like a charm in saving time and temper, yet it isn't anything but plain common sense, the sort of idea that any brain in the shop was capable of originating.

Capable of it? Yes. But managers know that in the rank and file of industry—and even in the upper ranks—original ideas seldom materialize voluntarily and spontaneously, like a spring sonnet or a fairy godmother. Like the fabled geni of the lamp, they require some assurance and encouragement. The average employee in the average business house has a natural hesitancy, a timidity, about going to the boss with a suggestion that involves changing an established method, a customary process or a proved piece of equipment. There is a traditional feeling that suggestions from below are not welcomed by the men higher up; that they may, in fact, be resented as implied criticism of some superior, or, worst of all, that they may be objects of ridicule. Management is not altogether blameless for this attitude.

"I remember a case that occurred in a certain factory about twenty-eight years ago," said an industrial manager, now an important executive in a New England plant. "There was a young mechanic taken on who was a very genius for poking his nose into things, restless and eager about inventing. Inside of the first month he went to his foreman with an idea for a new foot control for the machine he was operating. It was a revolutionary thing; it meant an increase of speed and output. But did the young mechanic put it across? He did not. The foreman looked at the design with a suspicious eye, grunted, told the youth to leave it with him a few days, and promptly laid the thing away and apparently forgot it.

"Two weeks later the employee ventured to ask his foreman if he had had a chance to look into the matter. 'Too damn expensive,' said the foreman, shaking his head. 'I don't say it mightn't work, but we can't go and scrap a whole shop full of high-priced machinery just to try out some smart notion of yours.' I know this experience because I was that boy," continued the executive. "I quit, and I've never been back. I don't know what was done with my design, but I do know that the idea is very generally applied in machines of that type today. I've often wondered whether that foreman stole my poor little brain-child."

The story of this incident came up in the course of a recent inquiry on the subject of suggestion systems, and the part they play in modern industry in enlisting the brains of workers for the improvement of business. It typifies a rather extreme case of a situation that perhaps has been the chief bane of suggestion systems—namely, the adverse attitude of foremen and other under-executives and their influence in deadening the initiative of their subordinates.

"To get anywhere worth going," said the New England manager just quoted, "a suggestion system has to come out in the open and actively bid for suggestions. It isn't enough to invite suggestions, to let it be known merely that suggestions are welcomed and will not be frowned on by the foremen. No, sir, you've got to put a premium on suggestions. You must make it clear that suggestions are recognized as the product of extra work, and are to be paid for as such; that the management

Suggestions for Suggestions

ON THE back of its suggestion blank, an Eastern manufacturing company prints the following list of suggestions for suggestions:

1. Regarding new field for the use of the company's products, or fields not sufficiently covered at present.
2. Regarding new lines of products.
3. Regarding improvements on present products.
4. Regarding enhancing selling efficiency of salesmen (traveling or local) with a view to better salesmanship all round.
5. Regarding salesmanship of employees of dealers and stimulating their interest in the company's products.
6. Regarding improvement in distribution of goods, packing same, etc.
7. Regarding new ideas as to selling and advertising the company's products.
8. Regarding stimulating interest of employees in their work in general.
9. Regarding economies of every description (especially office supplies, shipping and packing supplies, postage, etc.).
10. Regarding prevention of waste of any kind.
11. Regarding welfare and safety devices.
12. Regarding simplifications of office systems, stockkeeping records, etc.
13. Regarding short cuts to save time.
14. Regarding elimination of complaints of customers.
15. Regarding attractiveness, etc., of show windows, signs, etc.
16. Regarding anything expediting the company's business.
17. Regarding anything pertaining to the company's business.

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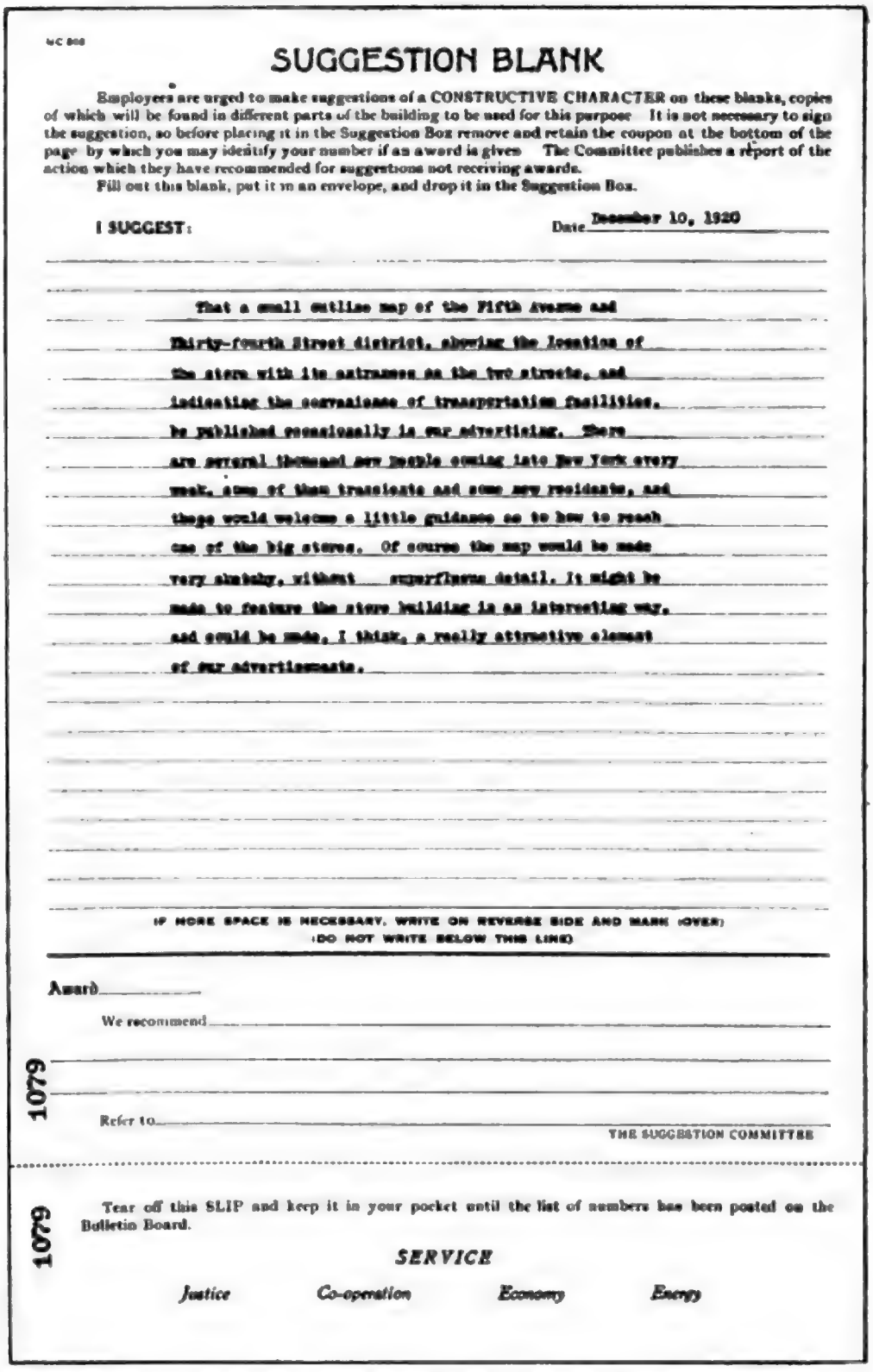
looks on them as beyond the line of routine duty. There must be some extra incentive to get extra work from employees, and this incentive must be of a nature to appeal to the worker as worth striving for."

A certain specialty store in New York has set up a suggestion box in the vestibule of the employees' entrance. The store is a large one, advertises extensively and enjoys a wide patronage, but some months ago the general manager realized that much of his profit was leaking away in hidden inefficiencies. He called in an efficiency man and paid him a neat fee to systematize certain features of his business. But the store wouldn't take the engineer's advice and install a real suggestion system. The attitude of the executive at the head of the business was something like this: "I pay these people for their time, and am entitled to all the product of their time. They make their livings out of this store, so they owe it to the store to contribute everything possible to its success."

His employees, however, don't admit these conclusions. With them the suggestion box has become a joke. A few anonymous suggestions have been dropped in—one calling attention to a leaky faucet in the washroom, another mentioning that the firm ought to install a profit-sharing system, and a criticism of the firm's advertising as "too conventional"—these are typical of what has been received: trivial and worthless, every one of them. The engineer says that the reason the employees do not respond is the attitude of the employer and his failure to offer them any worthwhile incentive for exerting themselves.

This does not mean that money awards are always necessary. One industrial executive believes that instead of giving a man a dollar bill or a five-dollar gold piece for a helpful suggestion, it is much better to reward him with some personal article that he can keep as a permanent token—a micrometer, a pipe, a fountain pen, a purse or a watch. The money is soon spent and forgotten; the gift article remains a thing of usefulness and pleasure, a constant reminder of the company's appreciation of the suggestion and a silent invitation to think up another one.

An obvious objection occurs here. In a big organization it is impossible to know and frequently difficult to ascertain the personal likes of each suggester, and without this knowledge there is danger of selecting the wrong article for a gift. Some employers have got around this by offering a variety of articles from which successful suggesters may take their pick. The array of prizes may be displayed in a showcase, or photographed and reproduced



SUGGESTION BLANK

Employees are urged to make suggestions of a CONSTRUCTIVE CHARACTER on these blanks, copies of which will be found in different parts of the building to be used for this purpose. It is not necessary to sign the suggestion, so before placing it in the Suggestion Box remove and retain the coupon at the bottom of the page by which you may identify your number if an award is given. The Committee publishes a report of the action which they have recommended for suggestions not receiving awards.

Fill out this blank, put it in an envelope, and drop it in the Suggestion Box.

I SUGGEST: Date December 10, 1920

That a small outline map of the Fifth Avenue and Thirty-fourth Street district, showing the location of the store with its entrances on the two streets, and indicating the convenience of transportation facilities, be published occasionally in our advertising. There are several thousand new people coming into New York every week, some of them transients and some new residents, and these would welcome a little guidance as to how to reach one of the big stores. Of course the map would be made very sketchy, without superfluous detail. It might be made to feature the store building in an interesting way, and could be made, I think, a really attractive element of our advertisements.

(IF MORE SPACE IS NECESSARY, WRITE ON REVERSE SIDE AND MARK (OVER))
(DO NOT WRITE BELOW THIS LINE)

Award

We recommend

Refer to

THE SUGGESTION COMMITTEE

1079

Tear off this SLIP and keep it in your pocket until the list of numbers has been posted on the Bulletin Board.

1079

SERVICE

Justice *Co-operation* *Economy* *Energy*

The numbered stub at the bottom of this blank, used by a New York department store, has overcome the timidity of employees by making it unnecessary for them to sign

in posters. Another way of avoiding the difficulty is to appeal to the universal instinct of pride by putting the prizes on an honor basis. An Ohio factory awards a bronze medal and an engraved certificate to each author of a worthwhile safety suggestion, and it finds that these bronzes, ribbons and parchments are keenly sought after and highly esteemed—much more so than would be their cash equivalent.

Similar to this attitude is that of a New York management engineer who has had considerable experience in installing efficiency systems, including those that encourage suggestions. For minor suggestions not resulting in a direct saving or earning of money—and the majority of those received in the average plant or office are of this kind—he would give merits or credits to be counted in considering salary increases or promotions, or some gift that would involve favorable public recognition of the author of the suggestion. Only when the suggestion results in a measurable saving of expense should a monetary award be given, in his opinion, and then the amount should be in some proportion

(Continued on page 38)

The Shoe That Saved the Year

By Featuring a Woman's Shoe of the Kind Advocated by Nurses and Physicians, One Company Has Bridged the Gap in Its Market

By FRANK E. FEHLMAN
President Churchill-Hall, Inc.
New York City

ONE OF THE SOCIAL consequences of the war has been a change in the public attitude towards "comfort shoes." Trade papers, medical journals and newspapers alike commented during the war on the high percentage of men rejected because of poor feet. Thousands of men have returned from service with the army and navy converted to shoes that emphasize comfort, rather than style.

It was inevitable, of course, that women should feel the impulse of the movement, but in selling women the task has been harder. Retailers and retail salespeople say that even though a woman may have ailing feet; even though her doctor may prescribe a certain type of shoe, her courage fails her when her shoes are finally fitted and she views them in the mirror in their well-defined ugliness.

This was the selling task that confronted the J. & T. Cousins Shoe Company when it prepared, last year, to market a new shoe. The executives of the company foresaw a slump in the shoe business. They found that retailers could not liquidate their stocks in less than a year. Not content to wait a year for orders, the J. & T. Cousins Company decided to cash in on the growing popularity of comfort shoes and put out a shoe of the kind advocated by the Y. W. C. A., former army nurses, physicians, hygiene experts and various schools.

Designers and model makers began to experiment to see how they could improve on some of the company's standard lasts from the orthopedic viewpoint; how they could put style into the shoe without sacrificing its fitting qualities. They made up both oxfords and boots in various leathers, with varying heights of heel and varying shapes of toe. The new models were tried on various types of feet. The better models were selected and still further improved. This operation was repeated until a satisfactory last was developed and patterns and processes were perfected. The resulting shoe was found to embody the best features of the older lasts, plus a degree of style that theretofore had not been considered possible in a comfort shoe. Even this new shoe was tried out on various types of feet in different parts of the country before it was offered to the trade in the present Modease shoe.

When the shoe was presented to the trade the year-end sales were starting, and salesmen found it almost impossible to get any retailer to look at a line of shoes, much less to buy. Old friends of the house were not called on personally, but samples were sent with a detailed description of the shoe, what it would accomplish and the place it would fill at the present time in any stock of shoes.

Each dealer that ordered was requested to report on the reception accorded the shoe by his customers and to suggest possible improvements. The reports convinced the J. & T. Cousins Company that the shoe was going to prove popular, so they prepared to increase production and mapped out a plan to help the retailer get this new business.

To obtain the closest contact with the market, the company opened a small Modease shop in New York City and advertised the shoe in four newspapers. The copy was educational in character, designed to show why the Modease shoe can be worn with comfort by women who have been accustomed to wearing high heels and to prove that this shoe provides both comfort and style. To prevent any possibility that the name might not be understood the company adopted the slogan, "The Comfort Shoe That's Also Smart."

Similar copy was prepared for Cousins distributors and is used wherever Modease shoes are sold. Salesmen were schooled in selling talks. One of them emphasizes the fact that the Modease shoe is not calculated to fulfill all functions of a shoe—at least, for all women.

"There is no reason," says the salesman, "why a woman should not wear high-heeled shoes on formal occasions or even for afternoon wear. But for her morning hours and for her outdoor life she requires a shoe that will not only give her comfort but will protect her feet and enable her to enjoy to the fullest extent the work or the sport in which she is engaged."

Probably the company's most effective advertising, however, is that represented by its window cards. Cards are being prepared and will be supplied to each distributor, with a recommendation that a window should contain from two to four cards.

On February 4, I sat in the Modease shop in New York City for twenty minutes and saw seven women stop and study the cards. Two of them came in and bought. Not every twenty-minute-period will show as big a percentage of sales as this, but the cards are producing splendid results.

Copy for form letters is also supplied to distributors. One letter is for



In twenty minutes Mr. Fehlman saw seven women study the cards in this display

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Remembrance Advertising

TRADE MARK

"The House of Quality"

"Glad to give you the business— you're working for a good house"

There is nothing hard to understand in this matter of making business more profitable by making it more friendly. The first step in any sale is confidence. And confidence is most easily won through friendship.

Nor is it difficult to make business more friendly. The same principles hold here as in private life. Men hunger constantly for appreciation, and respond to it with a genial glow of gratitude.

For twenty-five years Brown & Bigelow have studied the relations of business men with their customers to find the points of contact at which greater friendliness may be introduced. And have devised many clever means of acknowledging appreciation—gift articles of rich Mission Leather like the desk calendar pad here shown, warm-hearted Holiday Business Greetings, Art Calendars of rare harmony and beauty, clever utilities in Metal and Celluloid.

At a time when, as never before, you need the confidence of those whom you serve, they offer you tested means of building the good will without which no concern can long endure.

Write today for "Remembrance Advertising," a helpful booklet relating actual incidents of the warm power of friendliness in business and the means of securing it.

Brown & Bigelow—Quality Park—Saint Paul—Minnesota

Canadian Plant—SAULT STE. MARIE, ONTARIO

trained nurses and school teachers; another is for business women. A trained nurse affords one of the best advertising mediums any dealer can have, and the J. & T. Cousins Company is showing its dealers how to capitalize this fact. A nurse whose case may run from two weeks to as much as two months or longer invariably develops a close relationship with her patient; if the nurse has been comfortably and scientifically fitted to shoes the patient probably will learn the fact and learn, also, the name of the shoe.

The following letter to nurses and teachers embodies the "big idea" behind the campaign:

Dear Madam:—

There has been for some time a decided trend of opinion among women who dress carefully toward the orthopedic type of shoe—the shoe scientifically planned and constructed to give the human foot the utmost possible comfort and freedom of action.

Unhappily most of these orthopedic shoes afford the owner more or less comfort—*and nothing more.* In grace of line, in material, in all the finer details of the art of shoemaking they leave much to be desired.

In our Modease Shoe, without sacrificing any essential quality of the orthopedic shoe, we have refined the lines, improved the selection of materials and kept the workmanship in accordance with the high standard reached in recent years by the dress shoe. The result is a shoe of genuinely distinctive appearance yet corrective of prevailing foot troubles. Unlike most shoes of the hygenic type, Modease can be worn with comfort by women accustomed to high Louis heels.

Our new shop is devoted exclusively to the sale of Modease Shoes. You will find them there in a great variety of materials in both boots and low shoes. Modease Shoes are made by J. & T. Cousins, shoemakers since 1848.

A staff of salespeople specially trained in fitting Modease Shoes will serve you at the Modease Shop. We hope to have the pleasure of fitting you with Modease Shoes in the near future.

Cordially yours,
THE MODEASE SHOP.

Other Modease shops will be opened in New York City, and one each in two or three other cities. The shops in New York City will be operated by the J. & T. Cousins Company; in each of the other cities a local retailer will be induced to specialize on the line by opening a small Modease shop and conducting it independent of his own store. St. Louis has been selected as the location of one such shop, and one may be established in Newark.

Through letters and personal calls at the training schools, the shops will reach nurses and student nurses. Modease shoes will be demonstrated to the head nurse, and the demonstrator will ask permission to talk to the entire nursing class.

In addition to its window cards, newspaper copy, form letters and personal solicitation, the Cousins organization has prepared a set of unfinished shoe models, beginning with the first pattern cut for Modease shoes and progressing to the completed model. The customer sees the shoe in an embryonic stage on the last, the upper drawn over the last; she sees it next with welt sewed on; next with soles attached; then with the heel in place, and so on to the final operation. In the display are represented the ten principal departments in which the shoe is made.

These sample parts are shipped to the dealer. He retains them three or four days, or a week, during which they may be shown in his window and explained in detail to all his salespeople. Although the set is designed primarily for the dealer and his selling force, it also makes an interesting display for a window.

With the set goes a written lecture, which the dealer can read to his salespeople at an evening meeting, each page describing in detail some one operation in the making of Modease shoes.

"All They Can See is the Price"

(Continued from page 9)

"I can analyze any shoe we've got in the store and tell what that shoe is doing. I can do the same thing to any section of the store. I know what's going on in sales—at the time it's going on. Where pressure is needed, I can apply the pressure—at the time it's needed. From an analysis of how the merchandise has sold I determine what to buy.

"Our stock-keeping system is an adaptation. We didn't invent it. It's a composite of a number of other systems. Right along that line I want to say something about the help that manufacturers give to retailers in advising methods. Now understand me—we retailers appreciate every suggestion and every bit of constructive criticism that the manufacturers, wholesalers and jobbers pass along to us. We get many of our ideas from them. But I think that some of those fellows occasionally overlook the fact that the retailer may have problems peculiar to his locality and his trade, and that he may have worked out some ideas of his own in the solution of those problems. An example of that is our stock system.

"Here's another example: The statistician of a shoe manufacturing concern up in Boston sits at his desk and looks at the census figures. 'Holy smoke,' he says, 'the city of So-and-so has an industrial population of 72 per cent! Those dealers down there ought to be selling more wide shoes.' He reports to his sales department and the sales department takes the matter up, tactfully, with us.

"Now the fact is that this particular store breaks all the rules. This may be an industrial city. Maybe an unusually large proportion of its population walks in wide shoes. But we sell more narrow shoes than we do wide ones. Our own records, and not the census figures, show that.

"Sometimes we have to look beyond even our own figures. For instance, one summer we had a deuce of a run on small shoes. I thought we had suddenly acquired all the small-shoe trade in the city. But I inquired among other retailers here in town and found they were experiencing the same thing. At the end of that year our selling record might have indicated that we ought to load up on small shoes for the following summer. But we were conservative. Events proved we were wise. There was no run on small shoes in that following summer.

"Why not? I don't know. I do know that a woman who wears very small shoes generally buys several pairs at a time—probably because she finds a shoe that fits her. But why all the small-footed women should buy all their shoes at the same time and then all be out of the market for the same length of time—that's beyond me. I can't explain it any more than I can explain how a man can come in here buy a pair of shoes for his little boy start out with about four dollars' worth of this store's money-loss wrapped up with his purchase and pause in his exit to accuse us of profiteering!"

WHO does most of the buying public's buying? The French have a saying, *cherchez la femme*, which, freely translated, means "find the woman." If you want to find the buying woman drop into the nearest department store. There you will find several thousand of her.

I, however, sought a department store manager. The store happened to be one of those dignified ones. I hunted up its sales manager and asked him to talk to me about business.

"Nineteen-twenty-one," he said, "is to be an advertising year. Advertising will be a retail store's most potent weapon against sales resistance. It will be up to us to make the best use possible of that weapon. We must study our advertising as never before. The copy plan may be sound. The lay-out scheme may be effective. We may be using the best mediums. In short, our advertising may *look* all right. But the thing we must study is bigger than any of these details: it is the linking up of advertising to sales effort. It is a study that will carry us into matters of policy.

"Speaking of policy reminds me of an odd thing that happened to us, here in this store, just after the first of the year. This store, you know, is con

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servative. For instance, we never have used price comparisons. We never have said in our advertising that a certain article is a 'ten-dollar value at seven-ninety-eight,' or even described it with the line, 'Formerly ten dollars, now seven-ninety-eight.'

"Now to tell the truth about it, I've never been thoroughly 'sold' myself on this policy of ours. I mean, I've never been convinced that price comparisons, in themselves, are unethical, or that the use of them is undignified. I have always realized, of course, that this store's individuality is one of its biggest assets and that that individuality has been maintained by the preserving of our traditions, one of which is the rule against price comparisons. But I've never been convinced of the wisdom of the rule itself.

"Well, the first of the year came along. During the holidays business everywhere had been good. But everybody, it seemed, was looking for a let-down right after the first of the year. I thought the thing out. 'Now,' I said to myself, 'everybody else is looking for a slump after New Year's. Why can't we outguess our competitors for once and jump into Nineteen-twenty-one with a splash? Why can't we hit 'em between the eyes, while nobody's looking?'

"We did. At least we carried out one-half the program. We made a prodigious splash—prodigious for us—in men's wear. We stuck to our policy of no comparisons of prices. But the prices actually were slashed. We were prepared to handle a cyclone of business. But the cyclone didn't materialize. We hadn't hit anybody between the eyes. We didn't get a corporal's guard of customers! They simply didn't come into the store; that was all. Our advertising, I decided, had failed to pull—had failed against the advertising of our competitors.

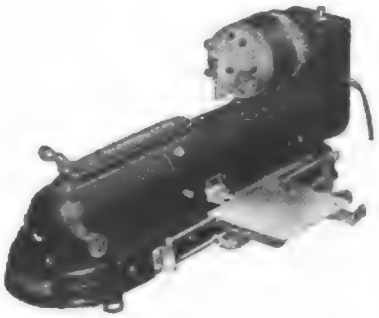
"For, you see, we had competition. Our competitors—every one of them, it seemed—had thought the thing out just as I did and had decided to outguess all his competitors. Each one of them had splashed into the new year at the same time we did.

"But *we* didn't get any business. To me, there seemed to be nothing to blame that on but our advertising, and specifically our advertising policy.

"'Now,' I said to myself, 'this proves that we're wrong on this rule of no comparison of prices. It may be ethical and dignified and all that to banish comparisons; but doggone it, our competitors are using comparisons and they're beating us to the business! We can't afford to be too dignified to fight.'

"That, I thought, was the trouble: our advertising was too dignified. The other fellows, with their comparative prices, had drawn the trade. I

Speed
Convenience
Labor-Saving



New Electric Model
Protectograph Check Writer

Several large banks and corporation offices have been giving the new Electric Model a thorough "try-out" for several months, and all report that it has found high favor. The longer used, the more it is appreciated.

Entire operation of writing and protecting amounts is controlled with left hand—leaving right hand free to feed the checks. It will soon pay for itself wherever there is a large number of checks to be issued daily, or in a rush.

Adaptable to either alternating or direct current of 110 to 120 volts. Where current is 220 volts, a small adapter-socket is furnished at cost.

PRICES

On all models guaranteed against reduction during 1921.

Protectograph prices are standard—always the same, for one machine or 100. The wide range of styles, sizes and models insures that you may always find a genuine Todd machine suited to your particular requirements at a price you can afford to pay.

Miniature household models, "Not Overs," etc.	$15 to $35
Peerless Junior (Single Color)	40
Standard (Two Color)	50
EXACTLY (Two Color)	60
Special and Foreign (Two Color)	70 to 80
Electric (Two Color)	125 and up

EXACTLY FIFTY ONE DOLLARS SIX CENTS

"Shredded" amount line of Protectograph Check Writer"
Two colors—amounts red, denominations black

To Treasurers :

We wish to exhibit the speed and convenience of the new Electric Check Writer, the first of its kind, wherever checks are issued in large numbers. Send the coupon for a most interesting demonstration—with no obligation to purchase.

Todd Protectograph Co.
(TRADE-MARK REGISTERED)
Established 1899
1179 University Ave., Rochester, N.Y.
World's Largest Makers of Checks and Check Protecting Devices.

(Demonstration Coupon)
Todd Protectograph Co., Rochester, N.Y.
Name

Printing
from steel
gets a better reception



The impression created by your letters or statements depends not only on the printed or typewritten message, but also on the quality of paper used and the character of the printing on that paper.

Printing from steel gives that distinguished effect characteristic of engraving. It is especially effective for letter-heads, envelopes, statements and the like.

We will gladly submit samples—and prices—on request.

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway

THE PHILADELPHIA NATIONAL BANK *has a most attractive steel-printed letter-head executed by us. This bank has used Mann products for more than thirty-five years.*

Fenton
Labels and Seals
STICK

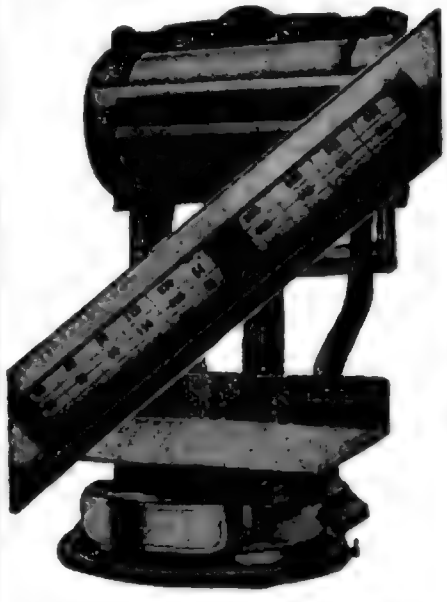
YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

Let us supply you with Fenton Labels and Seals. Write us for prices and catalog.

FENTON LABEL CO., INC.
806-512 Race Street
PHILADELPHIA, PA.

DAYTON MONEYWEIGHT PARCEL POST SCALE
No. 145
Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.
328 WEST MADISON ST., CHICAGO
Sales Distribution

believed that for about a week. I believed it until I learned what results the other fellows had realized from that big, city-wide splash into the new year. No one of them had had a corporal's guard of customers! Now I don't know whose advertising is right—theirs or ours."

Next I found another retail sales manager, the sales chief of another department store. It happened that the store I picked had just moved into a new building. The three lower floors were more or less in order, for the "settling" process had started at the ground level and was moving upward. The sales manager, I learned, was up on the fourth floor, amidst the iron beds and the lawn-swings. He was penned up in a mahogany-and-ground-glass cubicle over in a corner; when I arrived, in fact, the penning-up of the sales manager was going on. A serenely self-contained carpenter was doing the penning. The carpenter had a red mustache. As he rapped away at the partition he reminded me, somewhat irrelevantly, of a woodpecker—an energetic, noisy woodpecker.

"Well," I greeted the sales manager, when I had penetrated to where he was, "what's the good word?"

"I don't know any good words," he said, "but just now I know a lot of bad ones. Sit down until I finish reading this proof."

For five minutes both the sales manager and the carpenter were busy. Then the former laid aside his proof and his shears to talk; but the latter went right on with his work.

"You know," the sales manager began, indicating the half-corrected proof of the following morning's full-page advertisement, "I've taken over the advertising department. Maybe it will turn out that I have been taken over by the advertising department—darned if I know which. But, you see, I've always had supervisory charge of the advertising. In the past, however, I've never made a detailed study of it; I've just sort of watched it go past."

I moved my chair closer. That carpenter swung a mean hammer.

"I say," said the sales manager, "that I have taken over the advertising. For a while, at least, I'm going to read every proof that goes in. In the process, incidentally, I'm learning a deuce of a lot about advertising; I've acquired a tremendous respect for its craftmanship. Maybe I'm teaching the advertising department something about selling. That's a good thing all around.

"This store, I feel, must intensify its advertising. We've got to measure our advertising, design it and plan it, by the scale of what it may be expected to produce in sales volume. Let me

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show you what I mean by intensifying advertising."

The sales manager spread out the proof he had been correcting. The carpenter went steadily on.

"Here," said the sales manager, "look at this item of shears. There's a pair of shears, good steel, that with a sharpener will sell for seventy-nine cents. All right as an item. Now look at the item next above—silk hose, formerly two-ninety-five, to sell at two-fifteen. We'll sell four pairs of those hose to one pair of those shears. But look at the space given the two items. The shears have as much as the hose. I have marked the shear item to cut the space down to one-fourth and give the extra space in that square to three new items.

"You will notice that we print comparative prices. Of course, we don't compare our prices with the other fellow's, nor do we say that a certain item is a certain 'value,' priced at so much. But we do show comparisons between former prices and current prices in our own store. I know there is an argument over that. I know it is criticized as being 'unethical.' Certain of our competitors have never compared prices; they're sticking to their guns now, and I respect them for their stand. But personally, I believe that comparative prices, honestly compared, are not unethical. Besides, I believe that comparisons are of real, informative value to the customer.

"All right. That's one end of the business. The other end of retailing is the buying. This, it has been said, is to be an advertising year. It is. Also, it's to be a buying year. We must keep our buyers on their toes. They must buy right. Buying right means buying good merchandise at prices that, measured by all existing standards, are right. That will enable us to price the stuff right in our stores.

"The third consideration is salesmanship. A good many stores seem to take their salesmanship for granted. We don't. I have sent to a retail school for a graduate to teach our sales people constructive salesmanship.

"And there you have the three-part combination: intensified advertising, intelligent buying and constructive salesmanship. With that combination we'll sell goods. The public needs merchandise. The public has money. The public is beginning to understand. The public will not be unreasonable."

Here the sales manager paused and glanced over my head to where the rapping was still going on. Then he raised his voice and said to me:

"I say the public isn't unreasonable—all except that carpenter; and he's the most unreasonable man I ever saw!"

Kellogg Intercommunicating Telephone Systems

WITH any business institution that is experiencing healthy growth the problem of maintaining communication means money saved or lost. It is of the greatest importance. Good telephone service is a modern business necessity.

What will we install?
How much will it cost?
Where will we buy it?

These are questions that govern the purchase, but the most important consideration is—

Will it be dependable?

We need only point to the remarkable efficiency of Kellogg telephone equipment in operation in many large cities to answer this question. Kellogg Intercommunicating saves money in factories, business departments, warehouses.

With Kellogg telephones,

USE IS THE TEST.
Write, Addressing Dept. 41.

Kellogg Switchboard & Supply Company
CHICAGO, ILL.



LIKE THE OLD LADY WHO LIVED IN A SHOE

the average filing system usually "has so many papers it doesn't know what to do."

If your files are overcrowded—if they bulge with mussed-up correspondence—if important papers are hard to find, you need—

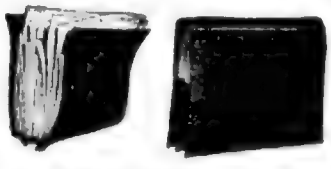
VERTEX FILE POCKETS

They are always upright in the files with the index tabs in plain view. The bellows-like expansion gives the needed capacity as the papers are added. Made of "Paperoid", the toughest red rope stock, to outlast twenty manila folders.

Send for a sample Vertex Pocket and take the burden off of your filing department. No charge or obligation.

ALVAH BUSHNELL COMPANY Dept. B, 925 Filbert St., Philadelphia, Pa.
Durable Filing Containers

CUT HERE



The difference is instantly seen

Please send for examination and trial a free sample of BUSHNELL'S "*Vertex*" Paperoid File Pocket, as described in April Business

Name of Firm.....

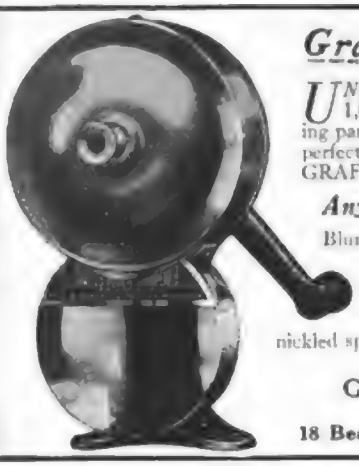
Address.....

Name of Person Inquiring.....

Letter size or Legal size desired?.....

If special size is required, send sample of sheet to be filed, and give width and height of drawer.

To ALVAH BUSHNELL CO., Dept. B, 925 Filbert St., Phila., Pa.



Graffco Pencil Sharpener

UNIQUE, remarkable, handsome. Sharpens perfectly 1,000 points without change of cutter. Only one wearing part—the 35c cutter, easily replaced. Makes beautifully perfect points that write better and last longer. With the GRAFFCO you can get

Any Point Desired — No Special Adjustments
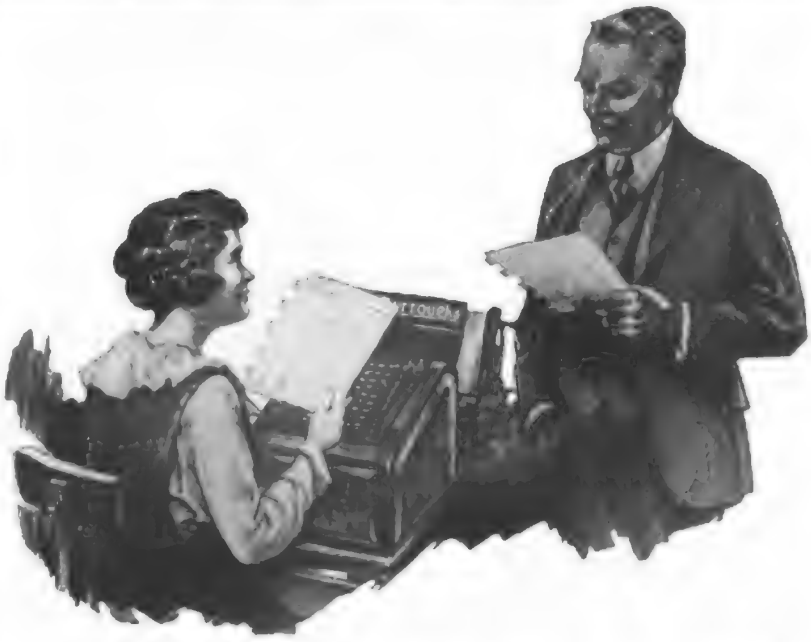
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Back-Door Bankrupts

(Continued from page 11)

suspicious referee in bankruptcy later had not taken a notion to ask a lot of questions and do a little sleuthing on his own initiative. But that's ahead of the story.

The first store failed. It failed spectacularly. The failure astonished everybody in town. It astonished even the concerns that had been selling goods to the store's proprietor. And those concerns were even more astonished at what the commercial autopsy revealed. There wasn't two thousand dollars' worth of merchandise in the whole store! Where was it? The motor truck could have told. The truck knew the way over to the other store—which had not failed.

The case of the merchant and the money-lenders called for fewer properties, such as extra stores and back doors and motor trucks. But this case, too, had wriggled its way close to a successful consummation in the bankruptcy court when the referee—the same referee—became suspicious and spoiled the whole thing.

The bankrupt listed an amazing array of liabilities. Specifically, the list was amazing from the number of persons it revealed as having advanced capital to the proprietor of the now-deflated enterprise. There were eight of these money-lenders and each one of them had taken the proprietor's note for the amount of his respective loan. The total of the notes, duly submitted as exhibits in the case, was something like $6,500. The total of liabilities, including secured and unsecured claims, was about $9,000, and the total of assets was around $4,000. What was wrong with that? Oh, nothing much except that the money-lenders—so the skeptical referee discovered—all were brothers-in-law and sisters-in-law and uncles and aunts of the bankrupt.

Now the case of Gashie Stein was different from either of these. Gashie did not operate in the county-seat town where I called on my first bankruptcy referee. That, evidently, was one town that Gashie missed. But the referee told me of Gashie's case, not as a local instance within his own experience, but as an example of what a man can accomplish when he sets out, earnestly and conscientiously, to beat the bankruptcy laws.

Gashie, as a matter of fact, never confined himself to any one town. He moved about. That, from the standpoint of the stability of our national commercial structure, was the trouble with Gashie. He wandered, did Gashie. It wasn't his wanderlust that brought Gashie finally to grief. It was the fact that he tried to wander with too many accoutrements. His aim always, you see, was to wander quietly and without

undue and annoying publicity. But with his wife, May, and her seven cats and the fifty-one trunks with the human names, Gashie was handicapped. With May and the cats and the trunks, he might just as well have had a circus on his hands.

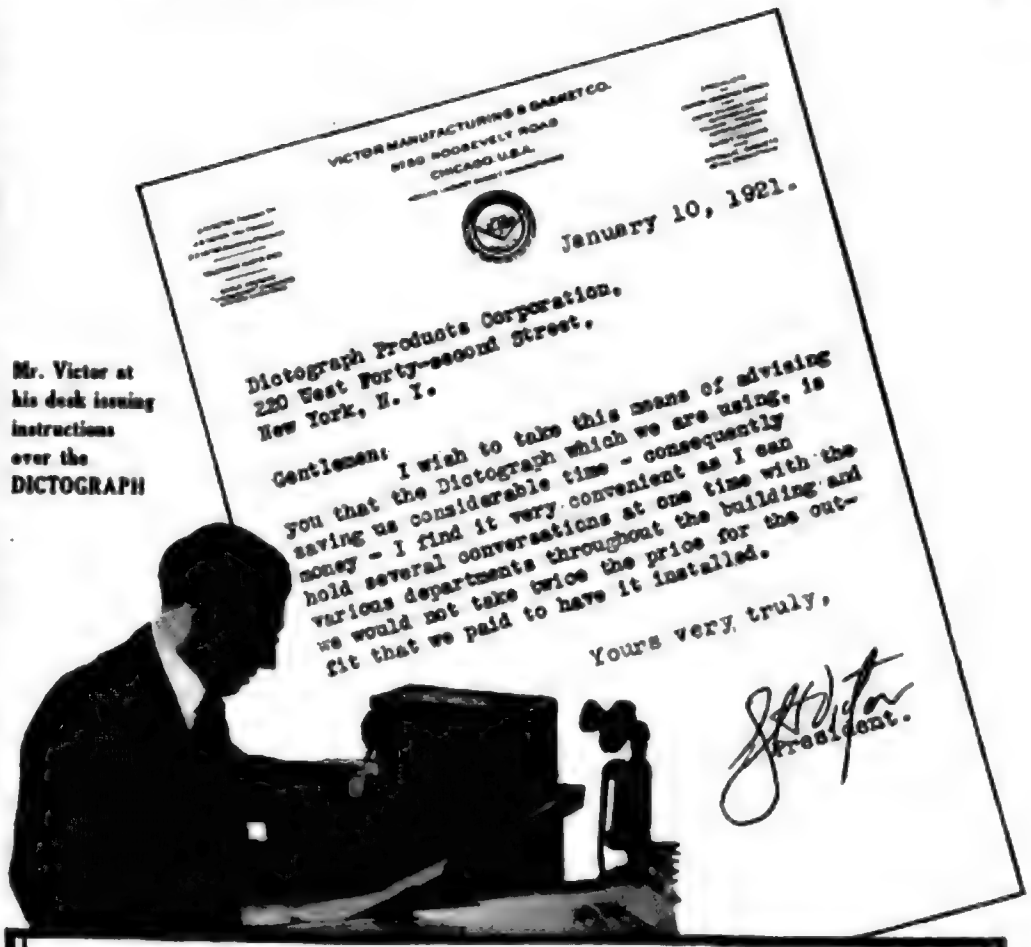
Gashie's method was to enter a town—usually alone, but with May always somewhere close by—and set up a store. He was cosmopolitan as to lines, was Gashie, but he rather specialized on women's apparel. He would buy skillfully and sell profitably, meet all his obligations—at first—and build up a credit of $20,000 to $30,000.

Then Gashie's old itinerant itch would break out again, and he would leave. He seldom left much behind for his creditors. But usually he took a great deal with him. Sometimes the great deal was in the form of cash. Sometimes it consisted of expensive merchandise. And that was where May and the fifty-one trunks came in.

May was a good wife to Gashie. No man ever had a better helpmate. And May, in her own right, had ability. The generalship with which she could route those fifty-one trunks around over the United States would have done credit to a railroad dispatcher. May was the silent, and usually invisible, partner. It was May's job to look after the trunks.

Gashie would leave some town between sundown and sunup. He generally left that way. Then, along the road somewhere, he would wire to May who was in her accustomed seclusion somewhere near the town Gashie had just left: "Where are Anabelle Lee and Lena?" May would reply, "Ann and Lena are in Chicago." Or, maybe it would be Milwaukee, or Duluth, or Minneapolis. Anyway, May always knew the exact whereabouts of Anabelle and Lena and Florence and Bertha and some forty-eight other mysterious persons. Then Gashie would wire to May: "Bring Anabelle and Lena (and maybe he would specify three or four or five others) to Davenport." May, ever the dutiful spouse, would comply. She and Gashie would meet in Davenport and there Gashie, under another name, would open another store.

All the names—Anabelle and Lena and Florence and Bertha and the rest—would seem to indicate that Gashie and May had many associates in their many undertakings. But Gashie and May worked alone. The mysterious names, you see, were the names of the trunks. The trunks held concealed assets—merchandise extracted by Gashie from Gashie's stores just before each store closed its doors to go through absentee bankruptcy. Each of the trunks had been given a name. Gashie knew all those names; so did May. Each of the trunks was used for a



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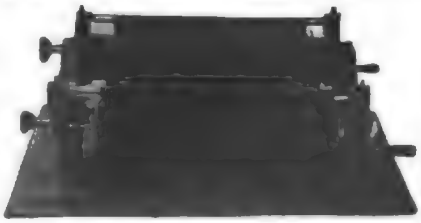
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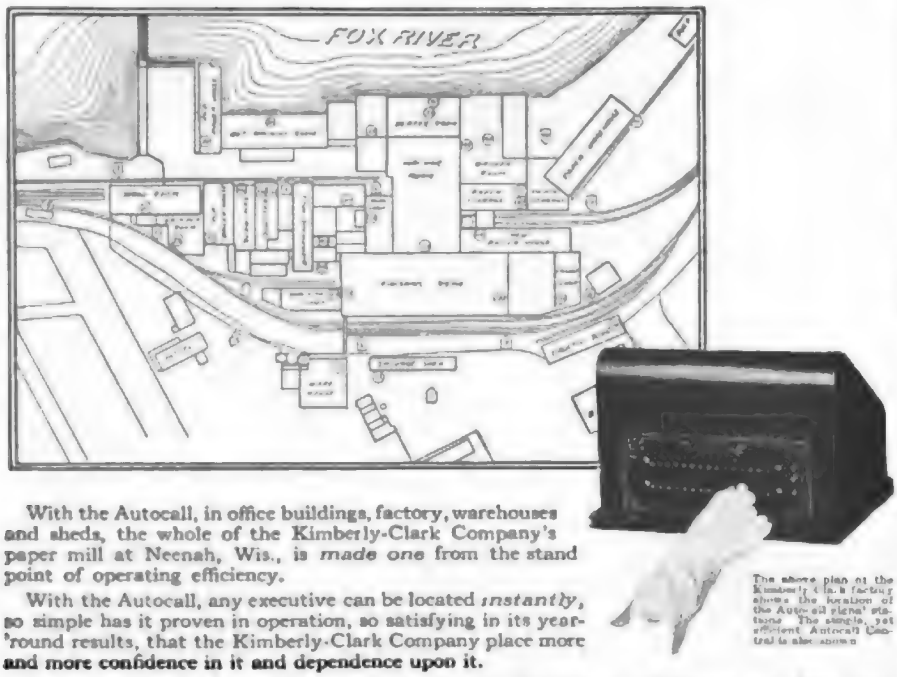
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ADVERTISING SECTION

specific line of merchandise. Thus, Anabelle Lee might be filled with jewelry, Lena with expensive furs, Bertha with fine lingeree, and so on. When Gashie wired to May to conduct Anabelle and Lena and Bertha to Davenport, that was enough for May. She knew the lay-out for the next job and she knew her part. She never failed.

But it was May, helpful as she was, who finally—as Gashie himself might have put it—blew the works. Rather, it was May's liking for cats. May simply doted on cats. She collected cats. She had seven. And she insisted on taking her cats with her when she traveled. That was what made it hard for Gashie. In Gashie's figurative circus, those cats were the animal tent.

Gashie and May, moving separately and marshaling the fifty-one trunks and the seven cats, were traveling in a generally southwesterly direction from Mount Clemens, Michigan. Gashie had been in business in Mount Clemens and had just achieved another successful failure.

The trail was old when a detective picked it up in Mount Clemens. But the detective knew about May's seven cats. A woman traveling with that many cats, the detective firmly believed, would be remembered. Pullman porters and red caps and bell boys would remember her. And the detective was right. He followed the trail of the cats. Gashie and May and the cats and the trunks foregathered in Leavenworth, Kansas. There Gashie started another store. He was doing right well. And then, doggone! Three policemen walked in and the metallic clicks of two pairs of handcuffs snipped off two long and successful mercantile careers.

"Very interesting," I said. when the small-town referee had finished the story of Gashie, "but what's the answer?"

"Just this," he said, "credit makes it possible for such men to operate. Credit is the food on which they wax fat. Credit men extend that credit. Now the credit men study their jobs; I admit that. But the credit men are overlooking a bet when they fail to follow up every bankruptcy case in which their concerns are interested and fail to search out every phase and detail of every case. They will not always find dishonesty. But often enough they will find dishonesty, of one kind or another, to a sufficient degree to pay for the search. And think what they will learn of the methods of the men who prey on them!"

Then, in another state and in a much larger city, I put this whole thing up to another referee in bankruptcy.

"What about dishonesty in bankruptcy?" I asked him. I outlined to him the things the other referee had told me.

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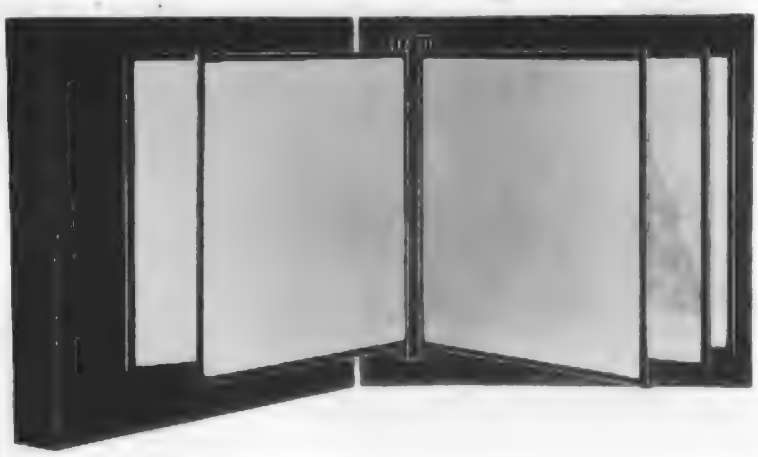
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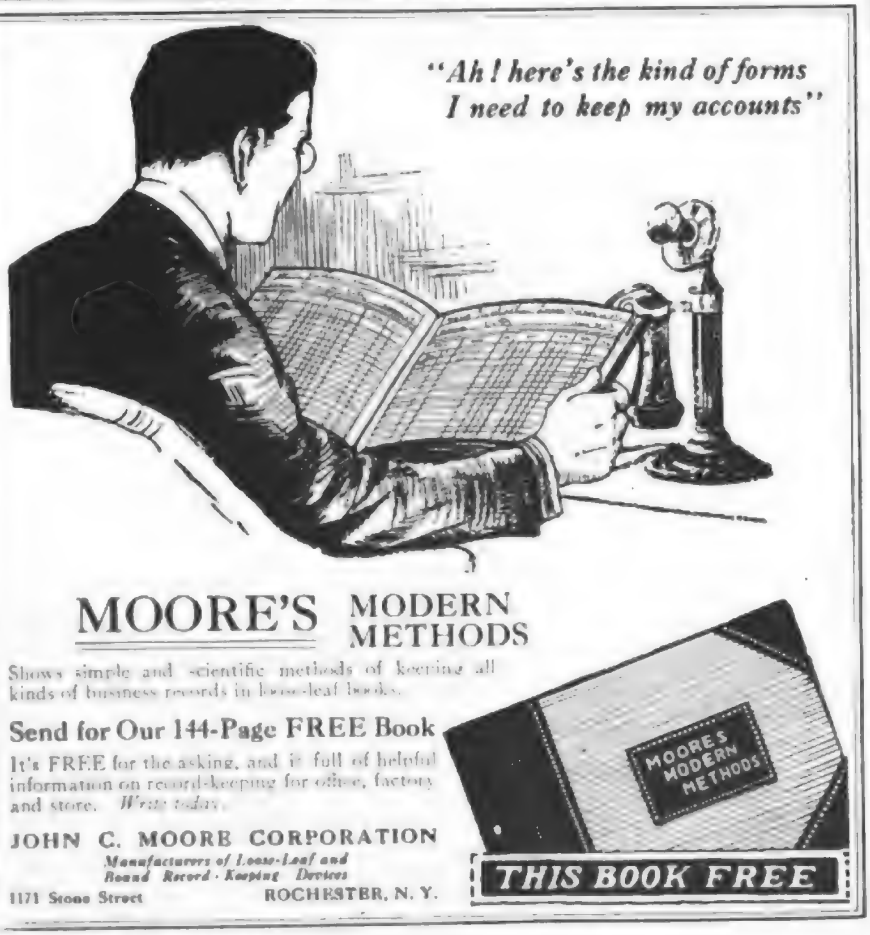
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"That corporation was headed straight for this bankruptcy court. Maybe it would have been better from a broad economic standpoint, if it had come in here. But it got into federal court, first, and a wise federal judge peered into it and saw it for what it was—a stock-selling 'job' on the part of a little group of insiders. The judge made the insiders disgorge and today the S——Company is prospering.

"But the fact is, really, that that case was rather an exception. I shall have to disagree with that other referee in bankruptcy on the prevalence of dishonesty. It may be that dishonesty at times seems to tinge the proceedings in bankruptcy courts. But the truth—at least as I see it here—is that downright dishonesty is behind very few failures. Incompetence is a prevailing cause, yes, and the unwise extension of credit on the part of the credit men.

"What I hold against the credit men is that they don't avail themselves of the best method of protecting the interests of their concerns. Here is the bankruptcy court. The court is constituted by law to provide relief for creditors in certain sets of circumstances surrounding debtors. That is the business and the whole business of the bankruptcy court; that is the court's specialty. None of its time and none of its study can be diverted to other matters—suits in equity, divorce actions, damage litigation and the like. Yet in that certain set of circumstances in which the bankruptcy court is designed to provide relief the credit men will resort to almost any other expedient except the bankruptcy court.

"I don't mean, understand, that every debtor who gets into difficulty should be thrown into bankruptcy. The law never contemplated that. But I do mean that if the creditors are to resort to law, the bankruptcy court is the best resort.

"Here is the court, set up for public use. It is easily accessible—more easily accessible, in fact, than are any of the other courts. There is little

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formality here. Anyone can stand up in this court and speak his piece. He doesn't need an attorney. The fees of the court, itself, when compared with the fees of the state courts, for instance, are ridiculously low. Yet the creditors will dodge all around this court. They'll go into the state courts—for instance, the insolvency court—and they'll sue for a receivership. Receivership suits call for the services of attorneys. The court costs are high.

"Usually the method, expensive as it is, isn't effective. Often the procedure is so long protracted that creditors become tired of waiting for their dribbling dividends—and then they try something else. Usually the receiver is a man who has no interest, academic or otherwise, in the business; often he isn't any more capable of handling its affairs than was the original management. That's bad for the creditors and bad for the debtor.

"Usually the method isn't conclusive. There is nothing in the law, you know, to prevent a case being taken out of the insolvency court and dragged over here into bankruptcy court. And by the time the case gets here, it has been so badly muddled and messed up that Solomon himself couldn't straighten it out intelligently.

"On one point I agree with that other referee in bankruptcy. The credit men ought to pay more attention to bankruptcy matters. They ought to know more about the bankruptcy court and its functions."

There rested the case of the prosecution. Next I went to the credit association secretary and put the whole thing up to him. I told him what the two referees had said and asked him what the credit men had to say in rebuttal. He heard me through and said: "Tell you what you do. You go over and see Will C————. He's interested in that very thing. See what he says."

I found Will C———— to be the secretary and credit manager of a good-sized concern. To him I re-told the stories of the bankruptcy referees. He heard me through, then grinned and said:

"They're both right—partly. We credit men would do well to study bankruptcy. Maybe, as a part of our education, we ought to go to school to some successful bankrupt. My own opinion is that the first referee was right when he said that some degree of dishonesty, conscious or unconscious, deliberate or unintentional, does curdle a good many of the cases that get into bankruptcy court. But I think that the second referee was right when he said that premeditated dishonesty really causes comparatively few failures. But whether the bankrupt is honest or dishonest, every case un-



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questionably should have close scrutiny.

"Maybe the second referee was right when he said that if a major legal operation is necessary, the bankruptcy court is the best operating room. But he was looking at the matter from the standpoint of the cold-blooded, scientific operator. There are other considerations. For instance, there is a psychological phase.

"We credit men, you know, aren't business destroyers. We're human, too; and we try to be humane. That word 'bankruptcy' has come to have a disagreeable sound. We hesitate to fasten it upon a business man. Maybe that's why we often prefer receiverships.

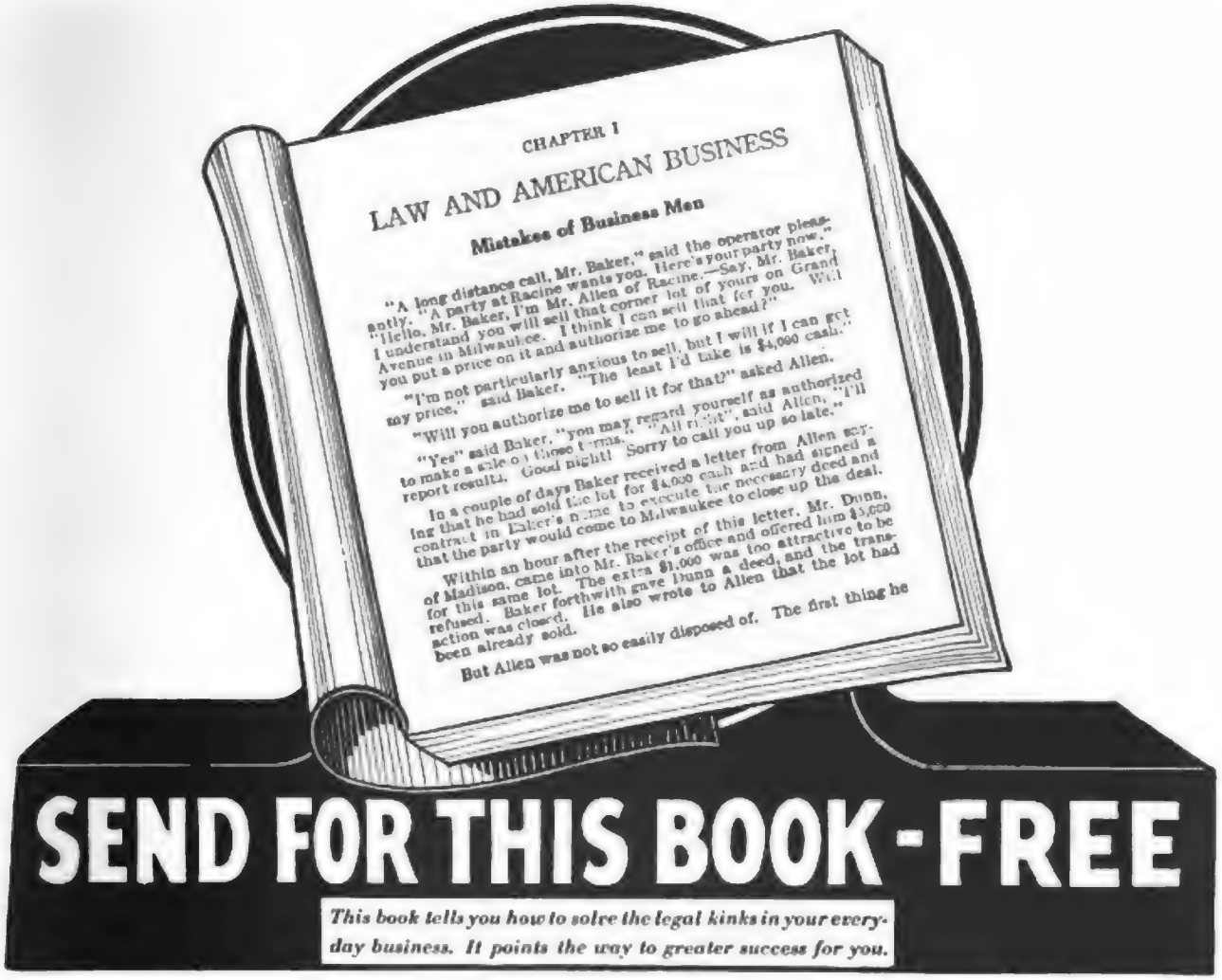
"But above all these considerations there is one that we must never overlook. That is that back of the receivership or back of the bankruptcy, and before either stage is reached, the credit man has an obligation toward the failing account. That is where the work should start. We should be sufficiently alert and sufficiently well informed concerning the conditions of our debtors that we can steer them clear of the courts."

Here came a brief interruption. A boy had called to have some papers signed. My credit man took the sheaf of papers, glanced them over, signed his name a couple of times and handed the papers back to the young man, who hurried away.

"That's odd," my host resumed. "Right there was a case in point. Those papers that I just signed are an agreement among the creditors of a man who, but for the agreement, would be in a receivership or in bankruptcy. He's had a fire. He owes about thirty-seven thousand dollars. His business is crippled, partially. The insurance adjusters are at work in his plant right now. But the adjustment may not be effected before a couple of months. Meanwhile he must have capital. We could throw him into a receivership or into bankruptcy. But the point is that, essentially, he is solvent. And, what's more important, he is honorable and straight as a die. We've agreed, we creditors, not to sue him for six months. That agreement provides that a share of stock in his company is to be transferred to a member of the creditors' committee, who will then be elected to the board of directors and will serve as treasurer of the concern. That man will pull through; and we're going to help him.

"And there you are. Classes in bankruptcy? Yes, maybe we credit men could, profitably, go to school to some successful bankrupt. But, speaking generally, I think that most of us need schooling, too, in what to do in that preliminary stage of an account that precedes bankruptcy."

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ADVERTISING SECTION

By Way of Seattle

(Continued from page 14)

section of the vessel. This diagram tells him the nature and quantity of her cargo, and how it is loaded.

"More maize," says the efficiency engineer. "We'll just move those power conveyors over from the Spokane street terminal and save ourselves the work of five men. And gunnies! Let's see. Bell street wanted to use those elevators next week. I'll just have that stacking finished right away and bring them over here."

By the time the *Horaisan Maru* docks he is ready for her. He has studied his warehouse. He knows just where he wants the peanut oil, the gunnies, the hemp. He has the equipment ready to handle the cargo. It costs from $2,000 to $5,000 a day to run a big ocean freighter, and Seattle doesn't propose to add a cent to this expense.

The giant *Protesilaus* recently discharged cargo at the Bell street terminal from all seven hatches at once, pouring a steady stream of Oriental wares to the main floor of the dock and the second floor as well. No wonder she beat all her former records for discharging freight by eight hours!

Few private concerns can show such an airtight check on operation costs as can the Seattle Port Commission. Whether the shipment be a split carload of apples from an Eastern Washington orchardist or a million cases of oil from the Orient, the traffic department knows just how many men it took to handle the cargo, and what each received.

The hub of this surprising intimacy with every detail of the Port's operation is the office of the statistician. Walk in on him any time of day. Ask him about the costs of a particular pier—let us say the oil dock at Smith's Cove, for the month of March, 1920. He shows you the card for that month.

"Operation cost, $14,912.23," he will tell you. "Overhead, $2,677.05. Interest, discount and exchange, $1,037.47. Depreciation, $610.53. Total expense for the month, $19,237.28. Gross revenue for the same period, $30,125.50. Profit for month, $10,888.22."

The statistician can go into detail on any item. He can tell you how much it cost to handle Brazilian cocoa beans in the month of May, 1918, and whether this was cheaper or dearer than during other months. By referring to his charts he can compare the efficiency of labor by weeks or months. He can tell how much one laborer may be expected to accomplish when handling oil cakes from Peru. He can define, through his records, the dollars-and-cents man-element in the unloading of rattans from Hong Kong, crude

rubber from the Straits Settlements, pig tin from Japan, cleaned rice from the Philippine Islands. He can tell by comparing costs just how much more expensive it is to pile sugar twelve feet high than six feet high. He knows what it costs to "re-condition," or open and re-pack, a tierce of salted salmon.

The statistician keeps a weather eye on other ports. He watches different customs districts to tell whether Seattle is holding its own or losing. He checks the volume of traffic by months, to see if there is any periodic change, and why. He anticipates the movement of commodities and communicates with the traffic department.

Seattle business men are ardent supporters of the Port Commission. They appreciate it as a tremendous asset. Officials of railroads and steamship lines, shippers and dock operators are co-operating to induce carriers to absorb handling charges, so that a differential that now favors several sister ports may be abolished. It is true that the terminals vie with private docks for patronage, but the rivalry is both friendly and stimulating.

Now, as to the Port Commission's tomorrow. Succeeding years promise success. The piers were built with an eye to future trade.

For instance, there is grain. At present the grain movement is through other ports. Seattle's method of obtaining her share was first to furnish the best facilities. And so, at a cost of $1,046,769.96, the Hanford street terminal arose. It comprises a two-story transit shed and a one-million-bushel grain elevator. The elevator is a reinforced concrete fireproof building consisting of fifty-five circular bins and a workhouse and a total capacity of 1,000,000 bushels. Its bulk receiving capacity per day is ninety-five cars, and its bulk shipping capacity per hour 24,000 bushels. Grain contracts are in sight.

Another example—fish. Seattle is the fishing center of the United States, from the standpoint of value of products.

The Port Commission offers every facility to fishermen. A terminal on Salmon Bay was built especially to meet their needs. When the Siberian fisheries are developed there will be accommodations for fish from Siberia. The Spokane and Hanford street terminals are adapted to serve this business. In 1920 the Port had contracted to handle approximately 3,000,000 cases of salmon. A special two-story warehouse has been erected at Spokane street and is used especially for salmon storage. It has a capacity of 750,000 cases.

For fresh fish, meats and the like, there is the seven-story cold storage plant of reinforced concrete, the finest west of Chicago. It has a capacity of 20,000 net tons. Its ice bunkers will hold 5,000 tons. It can manufacture up to 100 tons a day.

* * *

Evening on Puget Sound. On the bridge of the *City of Spokane*, outbound for Kobe and Singapore, stood the captain and first officer. They watched the lights of Seattle and of Pier "A" twinkling in the dusk.

"We beat our own record for unloading," remarked the captain.

"By a good nine hours," agreed the first officer. "That derrick did it. Wouldn't think it was possible."

Back on the pier the traffic manager chatted with the Port engineer.

"Tell you what, we've got to unload the *City of Spokane* faster next trip," remarked the traffic manager.

"You're right," said the engineer. "Believe we can do better next time. Maybe we can ring in an extra locomotive crane. We'll figure on it."

Going Up!

Elevator operators employed in the department stores of the J. L. Hudson Company, of Detroit, have organized a club that holds regular meetings and has a full set of officers and everything. Somebody with imagination named the organization. It's called the Uplift Club.

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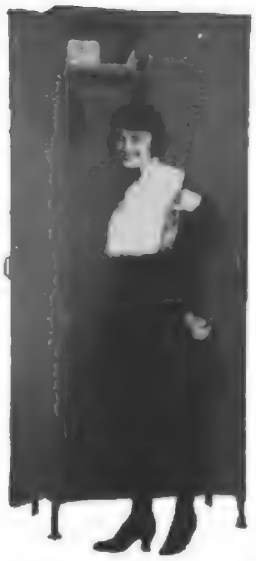
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ADVERTISING SECTION

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WE hear much these days about the shift from a seller's market to a buyer's market. And we all know that every word of it is gospel truth. The question is—what are we going to do about it?

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Dealers and Installers in Principal Cities.

VERTISING SECTION

Prize Ideas from the Ranks

(Continued from page 21)

to the value of the suggestion financially to the employer. "One prize of $10 for a really good suggestion," he says "is worth more in enlisting the co-operation of the employees than fifty prizes of $2 each."

Not all heads of suggestion systems agree with this judgment. "We have been in the game for more than twenty years," said the secretary for suggestion work in a well-known plant, "and in that time have tried virtually every form of compensation. We have found by experience that the monetary award is most satisfactory. Of course it is only fair to make the award commensurate to the financial value of the suggestion, and we try to do that with all suggestions that have a determinable financial value. But as you know, it is only once in a blue moon that you get a smashing big idea. Most of them deal with little things, yet the aggregate of these little things mean a great deal to the efficiency of the business."

Where the suggestion system is on a basis of money awards, many companies have found it helpful to classify their awards according to arbitrary groupings. The National Safety Council cites one company as having this schedule:

$2.50 for suggestions that are neither original nor have any appreciable money value, yet that should be adopted, perhaps with modification.

$5.00 for suggestions that are not original but have appreciable money value.

$10.00 for suggestions that are not original but have considerable money value.

$10.00 for suggestions that are original but have no appreciable money value.

$50.00 for suggestions that are original and have considerable money value.

$50.00 or more for particularly valuable suggestions. Awards in excess of $50.00 must first be approved by the general manager.

$5.00 additional award to anyone who submits five adopted suggestions.

Of course there are any variety of schedules for awards. One Massachusetts manufacturing company encourages its suggesters to keep at it by arranging the awards on an ascending scale. Thus, for the first accepted suggestion the suggester receives $3 and a framed certificate; when his second idea is accepted he may take his choice of framed pictures of the company's plants; the frame bears a plate engraved with the suggester's name and the date of the suggestion, and as additional ideas are approved additional plates are added. For his

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fifth accepted suggestion $10 is awarded. For the tenth and every subsequent ten ideas that are adopted by the management the prize is $25. At the end of July and December each year a special prize of $25 is awarded to the person who has suggested the greatest number of accepted ideas during the six months. The company does not consider this an iron-bound schedule, however, and for suggestions of commercial value gives an additional cash award, varying from $5 to $50.

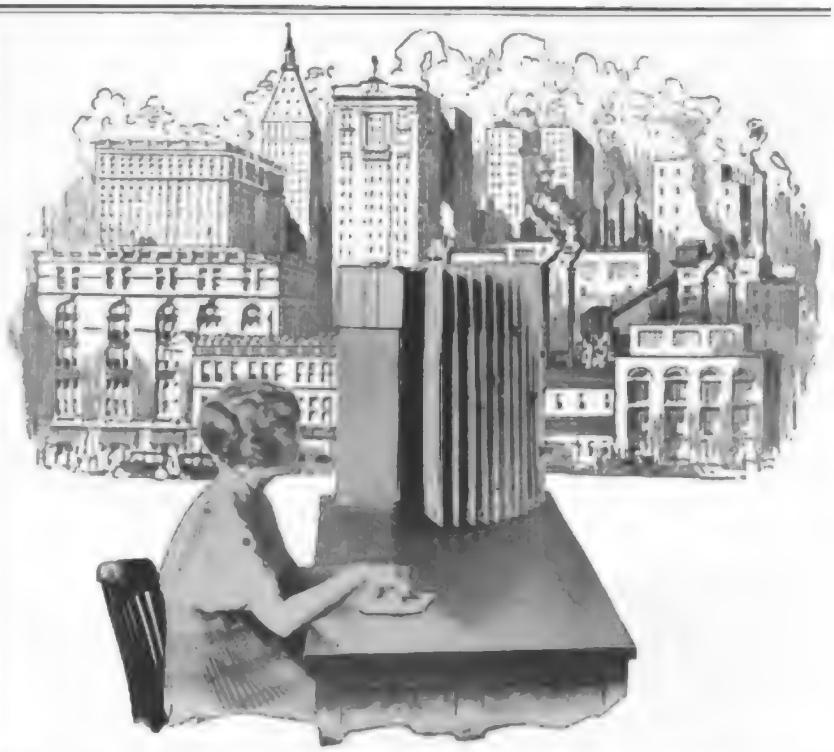
Another Massachusetts company has a standard prize of $5, which it awards for each acceptable suggestion. At the end of the year first, second, and third prizes of $100, $50 and $25 are awarded to the persons who have made the greatest number of suggestions during the period.

In some companies it has been found successful to put the suggestion system on a competitive basis. A Brooklyn department store has had good success from its plan of awarding weekly prizes of $10, $5 and $1 for the three best suggestions of the week. An electric railway company in a Western city initiated a contest among its employees, offering monthly and annual prizes for the best suggestions, and also paying a small cash award for all that were acceptable. One difficulty with the plan of monthly prizes is that the crop of suggestions isn't uniformly good, and some months there is no suggestion that really deserves a large prize.

The success, however, which a large manufacturing company in Ohio has had with a competitive system, year in and year out, proves that a suggestion department can be operated on this basis steadily with worthwhile results. The contests are conducted for six-month periods, two a year. Thus a suggestion contest is going on practically all the time. In the contest ending in September, 1920, there were 1,178 prizes winners. The prizes aggregated $7,995 and ranged from $200 for the best suggestion down to $1 each for several hundred minor suggestions. In addition to the cash, each winner received an engraved certificate and a medal, and the group of winners were entertained by the president of the company at a field meet at his country estate.

One big factor in the success of this company's system is the personal interest taken in it by the president, and the whole-hearted support which the system gets from all other executives. The very bigness of the organization is another factor that helps; where thousands of men and women are competing it is easier to work up interest and swing the campaign along in true contest style.

When it comes to the organization of the suggestion department itself,



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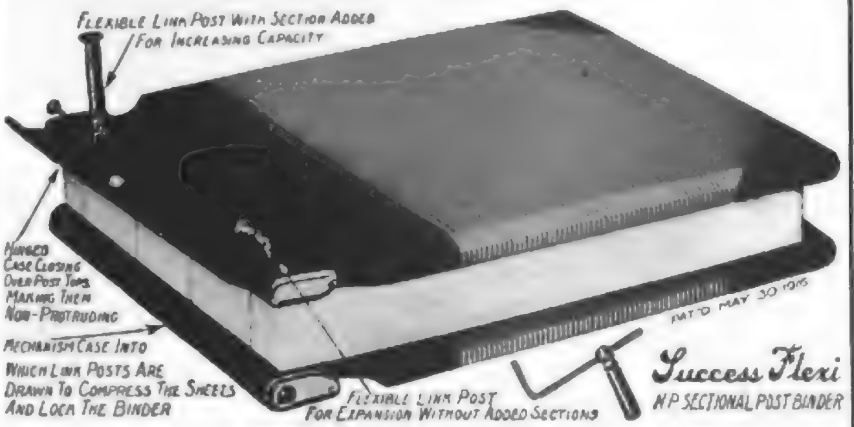
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we find variety. Of course there is always certain routine work to be done, the amount depending on the number of employees to be served and the degree of activity of the system. In the big Ohio factory just referred to the suggestion department is in charge of a manager and keeps five employees steadily busy. In smaller factories one man can attend to the detail. The point is that somebody ought to be available at all times, some responsbile person to whom an employee may go with his half-worked idea and get assistance. Frequently the suggestion secretary will have to write out the idea for him. Sometimes a sketch to illustrate the idea is needed, and in such cases a draftsman may be assigned to collaborate with the suggester in getting up a simple sketch. Such responsibilities as these, in addition to routine duties of receiving and recording the returns from the suggestion boxes, call for a man on the job.

But more is called for. In any system, big or little, there must be some drive put behind the campaign if real results are to be expected, and this drive generally must be supplied by some committee, either of executives or of employees, or of both jointly. Sometimes the responsibility is instrusted to one of the executives who is strong in the warm human traits that fit a man for this job, but in the majority of cases the committee plan is used. This committee usually determines all policies pertaining to the policy and operation of the suggestion system, passes on the ideas submitted and awards the prizes. In a large Chicago industrial plant the suggestion committee is composed of a chairman, secretary for suggestion work, and four committeemen, two of whom represent the management and two the employees. In a New York department store that has a system of industrial democracy in operation the suggestion committee is composed of employees elected from the store senate and house of representatives.

This department store has had its suggestion system in effect for about one year, and had a difficult experience at first in getting a response from the employees. There was a prevailing timidity. Several of the store girls confessed that they weren't going to put themselves on record with any "crazy notions." Then the suggestion committee got up a form of suggestion blank that did not call for the suggester's signature. The form includes a detachable stub numbered to correspond with a serial number on the blank. When an employee wishes to offer a suggestion, all that is necessary is to write out the suggestion on the blank, detach the stub and drop the blank into the suggestion box. No name is signed to it; if the suggestion

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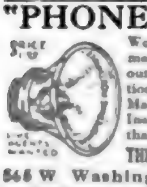
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is unsuccessful nobody need ever be the wiser; if it does draw a prize the number is posted on the bulletin board, and by presenting his stub at the cashier's office the suggester can claim the prize. Since this form of blank was adopted in the summer of 1920 suggestions have literally poured in—2,500 up to the first of January.

An important element in any successful campaign for ideas is that of publicity. The invitation to offer suggestions must be kept constantly before the employees, and the appeal must be constantly varied and emphasized. Some of the instruments that lend themselves are posters, bulletins, circulars, the plant newspaper and magazine. In one plant the manager sends out an occasional personal letter over his own signature. The announcement of successful suggestions offers good opportunity for effective publicity—not only the publication of lists of winners, but the featuring of exceptional ideas.

An example may be taken from the experience of an Eastern factory. In one of the departments there is an operation that involves the handling of tiny screws with a magnetized screwdriver. Invariably the tool picked up the screw on its side and the worker had to take the screw off with her hand and replace it with the end of the screwdriver in its slot; then it was easy to screw it up. Pieceworkers in that department had been doing the job this way for years when one day the idea of using a positioner occurred to one of them. She suggested that the screws be dropped into a metal saucer in which some holes had been drilled. A gentle tapping of the saucer would cause the screws to slide into the holes, heads up, in position for picking up with the screwdriver in the slot. By the use of this positioner the hand operation was eliminated. It meant a saving of one and one-half seconds for each screw handled; applied to all similar operations in the works, a total yearly saving of 4,670 hours.

Here was a really exceptional suggestion—the kind that suggestion secretaries, efficiency experts and employers yearn for. It was treated as exceptional and was awarded a cash prize of $200. But that was not all. The suggestion department got out a special illustrated bulletin on this idea, described it in detail, showed by halftone engravings the old way and the new way of handling the tiny screws, and made the $200 suggestion the basis for an extra appeal for more big ideas.

Of course publicity, no matter how well it is devised, is mere mechanical clacking unless it is backed by the sincere interest and genuine—not patronizing—support of the management. Foremen must be enlisted in the cause. Many factories conduct



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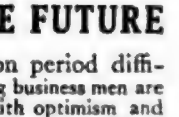
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special suggestion contests for the foremen; and it is not uncommon to give foremen cash prizes for having the biggest crop of suggestions come out of their department for the six months or the year. In some factories promotions of supervisors, as well as of the men under them, are based on the suggestion record of the departments.

Where suggestion systems have been the most successful we find that the management is actively as well as theoretically behind the system. Such a condition as this not only breeds new and valuable ideas, but it gets the men in the habit of thinking in terms of the plant and its interests; it breeds loyalty.

"In fact, one of the biggest things in favor of a suggestion system, to my mind," said one plant executive, "is that it builds up morale."

How to Figure Profits

(Continued from page 15)

per cent on cost, this will be found to be equivalent to 37½ of selling price, and those of us whose cost of doing business is 30 per cent and over, exclusive of a 5 per cent excise tax, and who realize the expenses entailed in such items as engraving and delivery will recognize the need of greater profits to compensate for handling silverware. If we are marking silverware at 70 per cent on cost, this is equal to 41 per cent on selling price, which surely is not unreasonable if the cost of doing business is more than 30 per cent.

An acquaintance of mine in the hardware business took in a new partner, an accountant. The store handled a certain stove that was handled also by a competitor. The wholesale price was $9.25 and the freight and cartage amounted to 75 cents, making the stove cost $10, set down in the store. Competition on this stove was keen, and the partners decided to cut the profit to 10 per cent net.

The senior partner figured that the cost of doing business was 18 per cent, that a 10 per cent profit would bring the mark-up to 28 per cent, and that on this basis they could sell the stove at $12.80. He thought they would make a net profit of $1.

Let us see what the new partner showed him. As the stove cost $10 and they wanted to make 28 per cent gross profit, he considered the selling price as 100 per cent and the cost price as 72 per cent, or all of the 100 per cent except the gross profit. Now if $10 is 72 per cent of the selling price, it is necessary only to divide $10 by .72 to find that the selling price must be $13.89. By the senior partner's method of figuring $2.30 of the $2.80 gross profit went to cover the 18 per



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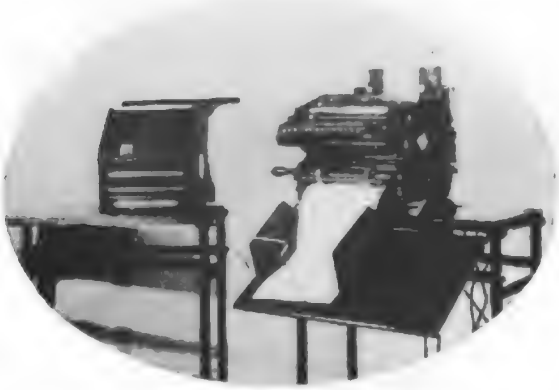
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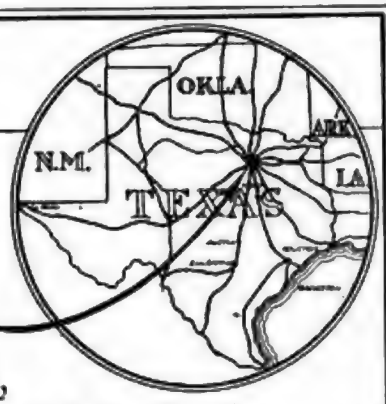


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cent cost of doing business, leaving net profit of 50 cents.

Don't get your percentages mixed That is the gist of the whole matter figuring profits. The percentage profit and the percentage of cost doing business should be figured on th same base—*on sales.*

It is easy to show how the practi of figuring percentages on differe bases can result in loss. Suppose o hardware merchant, figuring his co of doing business at 18 per cent o sales, had marked up his stove 28 p cent on cost, to allow for 10 per ce net profit, and priced it at $12.8 Now suppose that he fails to sell th stove at that price and decides to mar it down 28 per cent and sell it, as h supposes, at cost. What happens He marks it down 28 per cent of th selling price, or $3.58, sells it for $9.2 and sustains an actual loss of 78 cent

In this connection the following tabl may be found useful:

5	%	on cost is	4¾	%	on selling pri
7½	%	on cost is	7	%	on selling pri
10	%	on cost is	9	%	on selling pri
12½	%	on cost is	11⅛	%	on selling pri
15	%	on cost is	13	%	on selling pri
16⅔	%	on cost is	14¼	%	on selling pri
20	%	on cost is	16⅔	%	on selling pri
25	%	on cost is	20	%	on selling pri
30	%	on cost is	23	%	on selling pri
33⅓	%	on cost is	25	%	on selling pri
40	%	on cost is	28½	%	on selling pri
45	%	on cost is	31	%	on selling pri
50	%	on cost is	33⅓	%	on selling pri
55	%	on cost is	35½	%	on selling pri
60	%	on cost is	37½	%	on selling pri
65	%	on cost is	39½	%	on selling pri
66⅔	%	on cost is	40	%	on selling pri
70	%	on cost is	41	%	on selling pri
75	%	on cost is	42¾	%	on selling pri
80	%	on cost is	44½	%	on selling pri
90	%	on cost is	47½	%	on selling pri
100	%	on cost is	50	%	on selling pri

To those who are interested in th relation between percentages of sellin price and percentages on cost, th following schedule may also be foun helpful, as the equivalents are easy t grasp.

1 /3	of selling price is equal to	1 /2	of co
1 /4	of selling price is equal to	1 /3	of co
1 /5	of selling price is equal to	1 /4	of co
1 /6	of selling price is equal to	1 /5	of co
1 /7	of selling price is equal to	1 /6	of co
1 /8	of selling price is equal to	1 /7	of co
1 /9	of selling price is equal to	1 /8	of co
1 /10	of selling price is equal to	1 /9	of co
2 /5	of selling price is equal to	2 /3	of co
2 /7	of selling price is equal to	2 /5	of co
2 /9	of selling price is equal to	2 /7	of co
3 /8	of selling price is equal to	3 /5	of co
4 /9	of selling price is equal to	4 /5	of co

We are gradually emerging fro abnormal mercantile conditions an are returning, not to a pre-war leve but to a new level that we shall com to regard as a normal level of earnin capacity on the part of merchant an wage-earner alike, and this period readjustment calls for the close analysis of the determining factors i the establishing of a correct basis figuring profits.

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Come On, Sunshine!

(Continued from page 17)

reversed. Stanton, comforted by his youthful partner's confidence and enthusiasm, got real rest seven hours a day while the sunshine expert stared at midnight ceilings or popped out of bed at 3 a. m. to sketch out some bright plan.

Saturday morning found the whole store on tiptoe. Brokaw had sent a little thrill through the whole place. The entire organization was expectant.

And the day went forward transplendently in the store. The main floor and basement were ablaze. Ceilings and walls gleamed in their new, white, glossy paint. Showcases were refulgent—extremely so. Spotlights, mounted here and there, picked out special points of brilliance. Stunts of various sorts were worked with rising and falling light—mostly rising—from mid-forenoon on, and when night came the windows, in new dress, shone forth with all their might while big lamps outside set the street aglare. The spot outshone anything around it. Nobody could pass the mouth of the street a block away without being struck by the continuous explosion of light.

People came. They came in streams. They wandered through the place. But at no time did the store seem crowded.

"Great! What?" demanded Brokaw of his partner as closing time approached.

"Uh-huh," conceded Stanton. "But I didn't seem to see much buying. Peters says—"

"Buying? Well, what do we care? We got 'em to come down here. That's all we wanted—now. Come on. Let's take a walk through the store."

Brokaw took off his glasses and rubbed his eyes with relief as Stanton followed him down to the main floor. It seemed that most of the clerks, too, were rubbing their eyes.

They approached the floor manager.

"What do you think, Peters?" asked Brokaw.

"Certainly got a lot of light," Peters replied, in a rather dispirited tone.

"Think we're going to have the people with us from now on?"

"Well, they didn't stay long today. That's why we didn't seem to have big crowds. Nobody stayed."

"Didn't, eh?" Brokaw took off his glasses again to massage his eyes with his finger tips. "Why not?"

"Light's too strong. Clerks all kicking about it, too."

This man Peters was frank. He didn't feel obliged to camouflage his criticism of his boss' pet hobby.

"Too much? Well-l-l, that's good!" laughed Brokaw. "Why, man, that light's going to be the making of this store."

Peters looked doubtful. "Look at the girl over there in gloves. See her rub her eyes," he said. "And over there in novelties—and the one putting away the book, and—well, just watch them all. Their eyes are all tired out by this glare. As for me, I haven't been so dog-tired in a month of Sundays and my nerves are all edgy. I s'pose everybody feels a bit uncomfortable in a blaze like this."

Which was all Peters had to say. It was enough. Brokaw caught himself reaching for his glasses again. He too, felt tired and "edgy."

Stanton was frowning over the situation as they went back to the office. But he was too good a sport to say what he felt. He didn't criticise the new sunburst system, which obviously attracted people in swarms—only to repel them.

He didn't need to criticize. Charley Brokaw never needed any prodding to admit his own mistakes.

"Something's the matter, Q. H. I don't know what; but I'll find out quick."

Finding out quick was Brokaw's specialty. He sat and thought a minute deeply. Then he put on his hat and went out into the night just as the store was closing.

When he came back an hour later he had the keen-eyed stage director of a theater with him.

"Well, in the first place," said the theatrical expert in lighting effects, "you kill your windows with those big lamps outside. Windows are exactly like stages. I wouldn't think of putting lights out on the proscenium arch. Nobody could see the stage.

"Inside, in the windows, the lamps are too easily seen. It's the light you want, not lamps. And the back wall, there, isn't high enough to shut off the light from inside the store."

With every store lamp gleaming full speed ahead, Brokaw led the theater man inside.

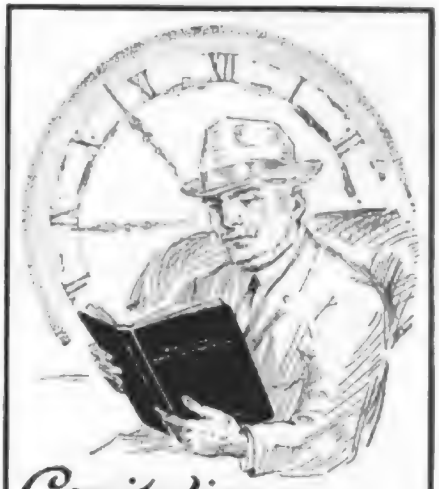
"Moly Hoses!" gasped the astonished theater man. "What a hulabaloo! Why, it's so light in here I can't see a thing. And your showcases are just like your windows—too much glare in the eye. Gosh, man, soften this thing down before you set your building on fire!"

In fifteen minutes Brokaw learned some things he never had guessed.

Bright and early Monday morning a specialist on interior illumination was on the job, rendering services Brokaw had originally deemed unessential and too costly.

This expert first went all over the brilliant main floor and basement with a little leather case the size of a book. He opened this on every counter and

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table and looked at a gauge inside. Pretty soon he reported.

"Mr. Brokaw, you've got a lot more light than you need. It costs too much. Your store is one continual eye strain from front to back, largely because the painters did the wrong thing to your walls and ceilings."

"White's what we want, isn't it? I saw some stores the other day—" Brokaw closed his mouth without finishing. This man was paid to give advice, not to receive it.

"Yes, but it's flat white you want, not this gloss enamel. What you've got reflects even the images of lamp filaments. You need paint that throws back as high a percentage of light as possible *without glare*. This flat white I'm recommending has a lot of magnesium in it. Magnesium in blocks, freshly scraped, reflects a higher percentage of light than anything else, but without a bit of glare. Flat white reflects 76 per cent fresh and slumps about 3 per cent the first month. After that it remains constant. White lead and oil or calcimine both fall off badly with age—some 15 or 20 per cent in one year, which means you'd have to keep adding more lamps from year to year in order to maintain your light. So you don't want those paints, though they are cheaper.

"With your flat white ceilings, I'd suggest walls of what's known as warm grey—grey made with red and green, not with black and white. It reflects three times as well as grey with lampblack in it. Of course, you could use almost any color for walls, but some colors absorb more light than others. For instance, white absorbs only 20 or 25 per cent, cream 28 to 44 per cent, buff somewhere between 40 and 55, ivory about 30, light green 35 to 60, dark green worse yet, and dark red worst of all."

Then he went on talking about foot candles, lumens, specular reflection, incident light and a lot of other things that meant next to nothing to Charley Brokaw.

"And I noticed, by the way," continued the expert, "that you've got a couple of very dirty reflecting bowls down there toward the front. They must have been hung in such a hurry nobody had time to clean them."

"Did you get up and look in them?"

"Didn't have to." The expert tapped the leather "book." "This foot-candle meter tells me. You know about how much light ought to be falling on a given place. The meter tells you just what *is* falling there. The light down there in the spot I spoke of was so much less than it should have been that I know darn well the bowls are dirty. You ought to have one of these things. You can walk down there with it and tell any time whether your lights are doing what they should.

"You won't need as much light over white goods and jewelry and such stuff as you do in other parts of the store. And over goods like that you ought to have 'daylight' lamps. They put more green and blue in the light so that white linens look really white. These ordinary lamps make white goods look yellowish, I don't care how strong they are. You ought to have these 'daylight' lamps in your dress goods department and over your men's clothes, too. Such lamps make dark colors look just as they look in daylight.

"But don't make the mistake of putting 'daylight' lamps all over the store—not if you want a cheerful atmosphere in here. They're too bluish."

Whereupon Brokaw forgot expense and turned the illumination specialist loose to re-design the store's new lighting system. When the job was done the place glowed in a bath of mellow light that pleased Brokaw immensely.

"Just what I wanted!" he exclaimed.

"New and original remark," contributed the frank Peters, who overheard it.

The store had a mixture of "daylight" and ordinary lamps so arranged that display booths could have either at the snap of a switch, depending upon what sort of goods was being tried on or scrutinized. The store glowed, but didn't glare.

"You want real show windows," the illumination expert had told Brokaw, "for I know you know how valuable they are. A statistical expert figured out recently that in one store more than 100 feet long the windows, only two feet deep, were worth 12 per cent of the rent asked for the whole place."

So he had proceeded to make the Houser Store windows real. He began outdoors by mounting floodlights above the windows, pointing them upward. The beams played up the store facade, bringing it out in striking effect, the rays attracting much attention from up and down the street. But the windows remained absolutely unaffected by this flood of light. It was all too far above them.

The windows themselves were lighted by concealed lamps both overhead and down the ribs, with a few concealed footlights and spotlights for special effects. Scalloped-edged curtains hung from the ceiling three feet below the parallel rows of top lamps, thus protecting the eye of the inlooker. Carefully shaped reflectors put the light exactly where it was wanted—shaped it to the window, so to speak. Heavy curtains carried the back wall clear to the top and shut in the interior light. These curtains were drawn aside during the daytime to give the front part of the store the advantage of sunlight.

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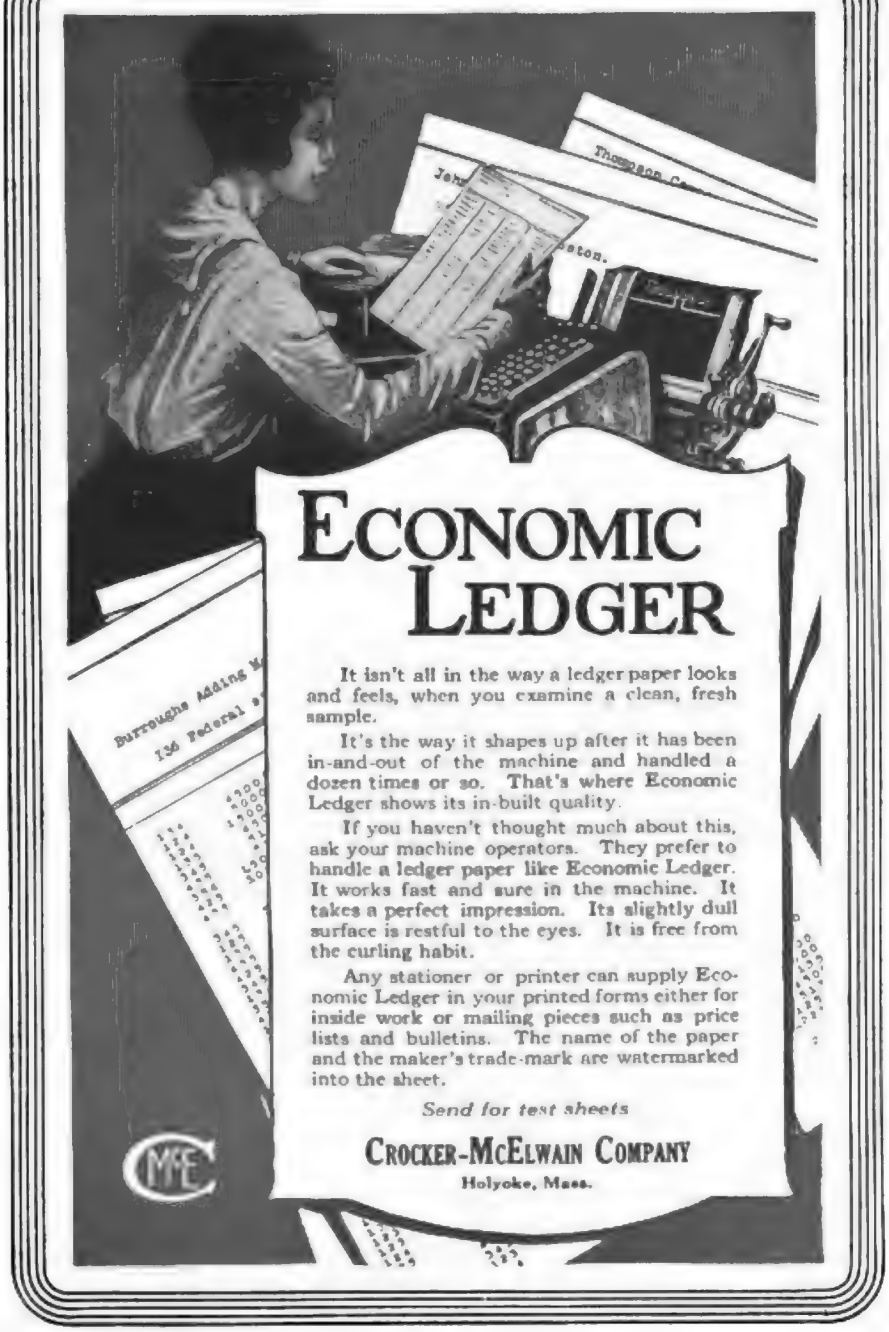
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Holyoke, Mass.

There were lamps enough put in those windows to bring the illumination up to 60 watts per front foo Colored screens and tinted bulbs we installed to produce various soft co effects so that each of the four windo could have variations from the oth and so that the color of the light mig best suit the display.

A portable promenade was built a put first into a window and later ba in the "woman's shop." This was p vided with special lighting from bel through glass runways. Living mod pacing that promenade drew crow that would have gladdened the he of any window dresser.

Altogether the Houser windows we wonderfully transformed. So were t showcase lights; and with the chan in the other interior lamps the Hou Store became a place of sunshine inde —minus sun-gazing.

"Come on, Q. H., now walk into i bade Brokaw, standing outside, on t night the full effect was turned on the first time. They walked "Restful, attractive, warming, eh? guess we've got it this time."

"I guess we have," Stanton grant admiringly. Then he added: "But cost—"

"Never mind what it cost, Q. H the younger man broke in. "We h to try something, didn't we? If bust, we'll at least die fighting."

But the whole city knows that t Houser Store didn't "bust." Tra formed, it drew the shoppers; comfo able and made to feel that "welco feeling," the shoppers stayed to bu Maybe they had a feeling, too, th the merchandise had changed and the better. But the merchand hadn't changed. It merely look more attractive.

Today the side street on which t Houser Store used to stand is longer a side street; it is a ma thoroughfare. The street, too, h been transformed. The Houser St is still "The Sunshine Store."

Charley Brokaw called, "Come on And sunshine came.

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A grocer proclaims that his "supe fine vinegar is more acid than t tongue of the most fiendish mother-i law."

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Insurance to Your Measure

(Continued from page 19)

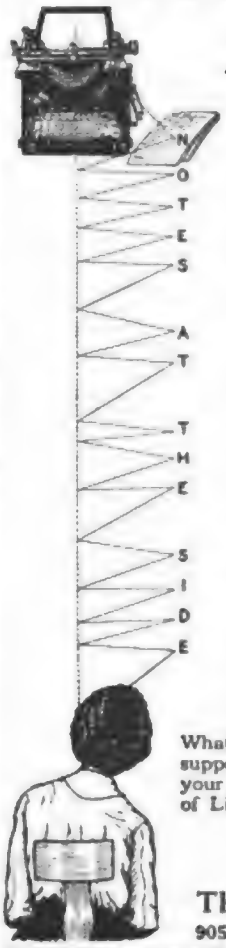
was because the whole hour was devoted to a lecture by the professor. The specific subject was the relation of life insurance to business. I learned that almost any business enterprise can be sold on the need of insuring the lives of its executives, or "key men," through three phases of its history: its organization, its development and expansion, and its liquidation, if any. Thus, it was pointed out by the professor in just what specific ways a newly organized enterprise might suffer through the death of its organizer or organizers; how insurance on the lives of its "key men" might constitute a windward anchor in the shape of a sinking fund through its period of development and expansion and for the liquidation of its long-term notes or bonds; and how that same insurance, in the case of the death of some man or men—the inventor or the president or the sales manager—might stave off the threatened commercial disaster that such an event might make imminent.

Next I went to a class in the principles of life insurance, where I didn't do nearly so well.

The professor seated me up near his desk and gave me a textbook opened to a double-page spread of statistical table. "We're discussing that," he said. He told me what it was, but—well, anyway, the name isn't essential to this article. A brief description of the spread-eagle table will suffice. There were up-and-down columns and crosswise ones. The up-and-down columns were labeled at the top with words and the crosswise ones were labeled over at the left-hand side with figures representing ages and ranging, as I remember, up to 95. In the intersections in the table itself were figures like 7854.31416 and $241,867,002.13. That will give you a general idea of it.

Now then, the principle of this table, as I recall it, was something like this: Starting at Age 1, over at the left, the amount in the third column from the right, over on the right-hand page, it would be noted, was two-six-zero-eight-point-one-two-three-plus, or some such a matter. But, as time went on, the amounts in the third column from the right kept increasing while those in the second, fifth and seventh columns from the left kept consistently decreasing—or maybe it was the other way around, and possibly I have the contrasting columns transposed. The particular point stressed by the professor was that, away down at the bottom of the table, on the line marked "Age 95," the amount in some column or other diminished to absolute zero. He seemed intrigued by that phenomenon. So, too, was I. I was

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ADVERTISING SECTION

thrilled at the thought of how excitingly interesting it would be to set up an insurance company and watch that column diminish to nonentity—if one could live long enough to watch it.

In the next class I fared better. It was a class in practical life insurance salesmanship. Nobody dragged in any tables, cross-hatched and be-figured. The professor drew pictures on the blackboard occasionally; but they were pictures of things like level plains and hills and obstacles and such. He tossed a bit of chalk up and down with amazing dexterity the while he talked and he talked rapidly and a good deal and asked questions. He talked about the selling of life insurance and he asked questions and got answers from the class about the selling of insurance. But many of his remarks and observations were quotable to men who have anything in the world to sell. He spoke in the Esperanto of salesmanship. For instance—

"Strengthen your imagination. You, yourself, must be able to see so clearly the idea or the thing you are trying to sell that when you undertake to impart your impression to the mind of someone else, the picture will be so vivid and sink in so deeply that he, too, will see it clearly. * * *

"Give your prospect one idea at a time. Don't try to pile them all upon his mind at once and sell him by the sheer weight of selling effort. It is better to make one point well, and let it do its work, than to try to batter your man into surrender by brute force. * * *

"Talk in the third person. In presenting some program or some phase of a program, say to your prospect, 'Wouldn't it be a fine thing for a man to be able to do so and so? Wouldn't it be a fine thing for his wife to have this, or be assured of that?' In that way you detach your prospect from himself. He is placing himself in the position of that third person whom you are picturing for him; and yet, he has detached his mind from that person so that he can stand back and look at him impersonally. * * *

"The mind of your prospect works this way: First, he becomes aware of a condition that exists and affects him in some way; then he comes to feel a certain way about that condition—he is pleased or displeased with it, contented or discontented, happy or unhappy; and then he endeavors to do something about it. In arranging your sales talks, remember those mental processes. * * *

"No objection that a prospect can raise can prevent a sale, if the ability to buy is present and the man can be made to want the thing you sell. * *

"When in doubt or in difficulty, appeal to the instincts—the family



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instinct, the home instinct, the acquisitive instinct, and so on. Analyze yourself and determine what those instincts are and by what avenues they can best be approached. * * *

"There are three ways to deal with an obstacle raised by a prospect. One of the ways is to batter down the obstacle. That is the most direct way, but it is also the most dangerous. Before you attempt it, you must be sure that you are able and armed to carry it through. An obstacle attacked is an obstacle admitted; and an obstacle attacked and admitted and only partially overcome is an obstacle strengthened. The second way is to evade the obstacle. The third, and most useful, way to deal with an obstacle is to pick it up and transform it into a sales instrument."

Happily, for me, the professor proceeded to demonstrate the ways of dealing with sales obstacles.

"Let us assume a case, a very common case," he said. "A prospect admits that insurance is a 'good thing.' He admits that he needs insurance. He is a business man, strong in his adherence to honorable business methods. He says, 'But I'm deeply in debt; I must pay my debts first; I haven't the money just now to meet my debts and pay for insurance, too.'"

The professor paused and looked over the classroom. "Mr. Stark," he said, calling on a student, "will you demonstrate the evasion of that obstacle?"

Mr. Stark rose to the occasion. "I would say," he said, "'Yes, Mr. Prospect, that is an honorable position for you to take. But I think you will find that point covered in the proposition I am about to lay before you.'"

"Good!" commended the professor. "You haven't misrepresented. Probably—although you may not be certain of it—your proposition *will* meet that point. Very likely the prospect, himself, will discover some phase of it that meets the objection."

The professor looked over the classroom again. "Mr. Moser," he said, calling on another student, "will you meet that obstacle by picking it up and using it as a sales weapon?"

Mr. Moser, too, rose to the occasion. "I would say," he said, "'Yes, Mr. Prospect, a business man's obligation to his creditors is his first and highest obligation. But have you considered that if you should die your estate might have difficulty in paying those same creditors? With insurance, you can assure yourself that, no matter what may happen to you, this duty that you hold so highly will be fulfilled.'"

"It couldn't have been done better," the professor said.

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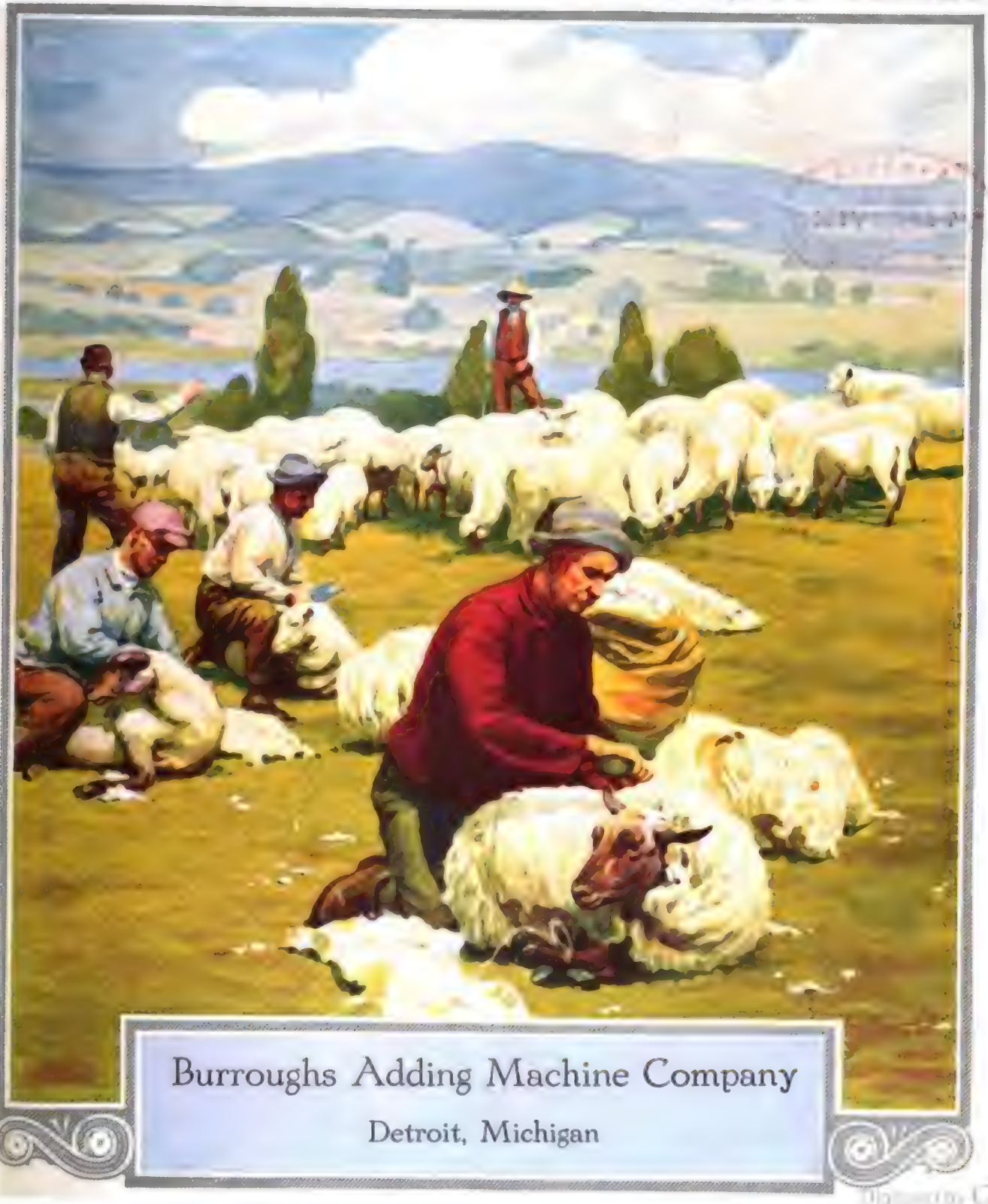
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BUSINESS



VOLUME TWO
NUMBER EIGHT

MAY, 1921

LUCIEN KELLOGG, *Editor*
A. H. LINENBERG, *Business Manager*

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May 1921

BUSINESS

Vol. 2 No. 8

Less Brawn, Cheaper Freight

By E. W. DAVIDSON

YO-HEAVE METHODS are passing out of the freight and material handling business of the country, and for the transition the average American may give thanks every time he buys a Havana cigar or a pound of sugar or the lumber for his new porch.

Nobody doubts the relationship between freight handling and the well and unfavorably known cost of living. This relationship is close because transportation is so large an item in the cost of everything from lingerie to locomotives and because by far the largest single item in the transportation bill is that of handling freight.

For instance, it costs $6.60 to ship a ton from a point of origin in New York City to a point of delivery in Philadelphia. To pick up that ton in New York; to handle it at various points, and to get it as far west as the outer classification yards costs $3.50 of the $6.60. To get it from Philadelphia's outer yards deep into the city costs $2.50 more. This leaves 60 cents as the actual cost of hauling that ton the distance between the cities. In other words, terminal charges between New York and Philadelphia are ten times the haulage charges.

This is no isolated case. The United States Department of Commerce figures that it costs as much to load a hogshead at Chicago and unload it in New York as it does to haul it the distance between those two cities. And in Cincinnati, before the recent change from the old to the new methods of handling freight, it cost as much to get a ton through that city's tangled railroad skein and out again on its way somewhere farther along as it did to ship that ton from Cincinnati to El Paso.

If you will listen to a statistic or two compiled by authorities on handling material you will learn that with modern methods in every ocean pier and railroad terminal in the United States a total annual commerce of ninety billions of dollars could be carried on for twenty-five billion less than it is today. That is, the tidy sum of twenty-five billion dollars could be taken off the cost of living in this country by such labor-saving, speed-inducing, waste-eliminating methods and machinery as are now spreading through the land.



PHOTO BY BROWN BROTHERS, NEW YORK CITY

A short cut in delivery

And that is speaking only of transportation. Modern methods of handling material in factories, in lumbering operations, in mines—everywhere at the sources of production—cut just as great a figure in reducing the cost of goods to Mr. and Mrs. Average A. Citizen and son Johnny.

Experts say that the cost of handling freight and raw materials can be reduced from 10 to 80 per cent, with 40 per cent as a fair average. Small wonder that the average American is interested in the substitution of machines for man-power in this task, if the substitution will so greatly reduce one of the items that add to the cost of all commodities.

Slow though progress is in some industries, the old-fashioned, singing, sulphur-tongued gang is disappearing from warehouse, railroad terminal and dock. Time is too much of a factor. There is no longer room for the slow-moving, space-consuming crew of stevedores.

Where ten more or less willing huskies, each with a stevedore's hand truck, formerly trundled great bales of "daown South" cotton from boat to warehouse, now one four-wheel motive truck, a little bigger than the baggage vehicles one sees at railroad stations, does the same amount of work in the same time. A squat, determined, three-wheel tractor the size of a truck, with a string of eight or ten trailers, does 50 per cent more work.

Where once a gang of eight men, equipped with planks and ropes, used to roll hogsheads up into piles by the expenditure of much perspiration and elbow grease, today the same job is done better and faster by a little elevator that can be wheeled up to any pile and can deliver goods in units of any size up to a ton and to any height up to fifty feet.

A platform truck that looks much

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PHOTO BY COURTESY OF THE GENERAL ELECTRIC COMPANY
Discharging coffee by electric conveyor at New Orleans

like a self-propelling scale runs around a warehouse, sticking its flat bed under a stack of boxes piled up for it on an open-ended eight-inch-high platform, lifts the whole load, platform and all, scoots to the desired spot, lets down the load and goes off about its business.

There is no end of these little three- and four-wheel devices doing swiftly and well almost everything that formerly was done by hand.

Then there are the heavier machines. Is there a great pile of sacked sugar to be moved into a building and piled to the roof? An endless-chain conveyor is laid with one end receiving sacks from two men while the other end delivers a stream of those sacks to two other men—delivers it to any altitude and at the rate of sixty tons an hour. Where is the "gang" with the trundling, time-losing hand trucks? Where is all that back-breaking labor of tossing sacks up from level to level?

Is there a big barge of boxed goods—or of any other freight, for that matter—tied up alongside a port warehouse for unloading? A peculiar crane, hanging to a track at the eaves of the warehouse, gets into action. It has one long arm that has been standing in an upright position to save space. A door of the warehouse opposite the barge opens. The crane comes rumbling along the side of the building, stopping at that door. Down comes that long arm to horizontal. It has a track reaching thirty feet out over the water—far enough to reach across two barges lashed alongside each other—while the other end of the track arm extends ten feet inside the building.

Off comes the barge's hatches. Out go the grapple irons and slings. They drop down into the hold for loading. Up they come with a ton or two of those boxed goods. Back along the straight arm travels the load, into the warehouse.

The whole process looks easy and rhythmic and steady. Compared with all previous methods, it is easy. Every motion is in a straight line, and no time is lost in luffing and swinging.

As another example, consider the handling of vast bulk, such as coal in 10,000-ton shiploads and million-ton storage piles. Great gantry cranes and bridge cranes, with immense dippers like clam-shell harbor dredges, gulp coal out of huge ships and small barges at about half a carload each bite. The speed at which these monsters work is astonishing—and pleasing to a ship-owner who wants his craft to be about its lucrative business instead of standing at a wharf waiting at $3,000 a day to be unloaded or reloaded.

So numerous are these new types of machinery for handling the world's goods that descriptions of them all would fill many volumes. They are doubling and tripling the speed at which terminals, freight transfers and warehouses operate.

What is responsible? Electricity. It is electricity from batteries that has given the world the little businesslike warehouse tractor, the platform truck and all the other self-propelling machines that replace whole battalions of truck-pushing stevedores. It is electricity, drawn from a power line and applied through motors, that has given industry the host of heavier material-handling machinery from the tiering machine to the immense cranes for unloading ships, and the machinery for picking up and dumping railroad coal cars.

So a new branch of engineering has sprung up—the engineering of freight bouncing. Almost every product used by the people seemed to shout for this new profession.

Consider sugar. Trace it back to its origin and then follow it to your morning coffee, noticing the handling it gets on the way.

It grows in Cuba. It is trucked in the form of cane to a grinding mill. It is unloaded, ground, processed, put into bags and piled in a warehouse. Because there are no refineries in Cuba the sugar is unpiled, loaded, hauled to port and piled for temporary storage. Then it is loaded into ships for the United States, carried to this country, unloaded and piled, transferred to the refinery, unloaded and piled again. The sugar is then transported in the refinery through various processes and packed in bags or boxes. These are trucked into storage and piled. When the jobber buys, these bags are unpiled, trucked to cars, hauled to Chicago or some other city, unloaded at another warehouse and piled again. Finally they are loaded into vehicles and distributed for sale.

After this long career of handling, the sugar goes into the consumer's market basket at a price that must pay for all this labor. If 10 to 80 per cent—or the average 40 per cent—were cut off the labor item by electrical machinery, what would be the effect on the price of sugar?



PHOTO BY BROWN BROTHERS, NEW YORK CITY
Unloading bananas at New Orleans

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The same thing is true, to a greater or less degree, of the other items of the country's freight. Most freight is handled twice—much of it many times.

Think of the resulting waste and damage. Everybody knows how much consideration the average stevedore gives the boxes and bales he handles. The deeper he can throw his hook into them and the farther he can let them roll or drop, the better he seems to like it.

Cotton provides a good illustration. The "country damage" that the American crop suffers at the source is estimated by the United States Department of Commerce to be $75,000,000 a year. Losses due to handling at the first baling are estimated by the American Cotton Growers' Association at $200,000,000. And so it goes.





PHOTOS BY COURTESY OF THE GENERAL ELECTRIC COMPANY
Left, the old method of stacking hogsheads; above, the new method

With proper handling, goods go through fewer hands, they are moved steadily, instead of by jerks, they are delivered up or down at the exact spot necessary without tossing and dropping, and they move through terminals and transfer points so fast that there is little damage due to lying around.

And these new methods are making themselves felt, even though today only about 10 per cent of American freight is handled by machine and only about one-sixth of our docks and piers are properly equipped.

Once it was a lucky carload of freight that moved through Cincinnati in less than three days. Often it took ten days for an L. C. L. shipment from a suburban point like Norwood to get into the city, undergo classification, transfer and loading and escape toward its destination. Today most of the freight originating in Cincinnati or being delivered there goes through the city in demountable bodies hauled on motor trucks. Several hundred of these bodies are in service.

One is filled in a suburban factory. A telephone call goes to a downtown dispatcher who directs the fleet of trucks. A chassis soon picks up the filled demountable body and delivers it at a warehouse near the railroad terminals. Electric hoists lift off the loaded body, carry it on ceiling tracks deep into the building and lower an outgoing body to the chassis. The body that was brought in is set on the floor in a row of other bodies and opened. Its contents are then sorted and distributed to bodies going to each of the railroad freight stations. When the load is made up again and the body sealed, the electric hoist picks it up, carries it outdoors and delivers it on another waiting chassis.

As a result the cost of handling freight through Cincinnati has been reduced 35 cents a ton; 15 per cent of the existing platform area has been cleared for other use; about 200 freight cars that formerly did trap duty between suburbs and freight houses have been released for other haulage; about 150 teams and wagons that used to ply slowly between freight stations are working elsewhere, and switching service in the Cincinnati yards has been reduced approximately 300,000 cuts a year. Goods now traverse the distance from one freight house to another in less than half a day from the time the shipper telephones the truck dispatcher, whereas sixty-two hours was the average time formerly required for getting freight from one railroad to another.

This scheme is now going into service in other congested terminals and transfer points to work eventual benefit to merchants and residents in Oshkosh and Texarkana, as well as to the railroads and shippers themselves.

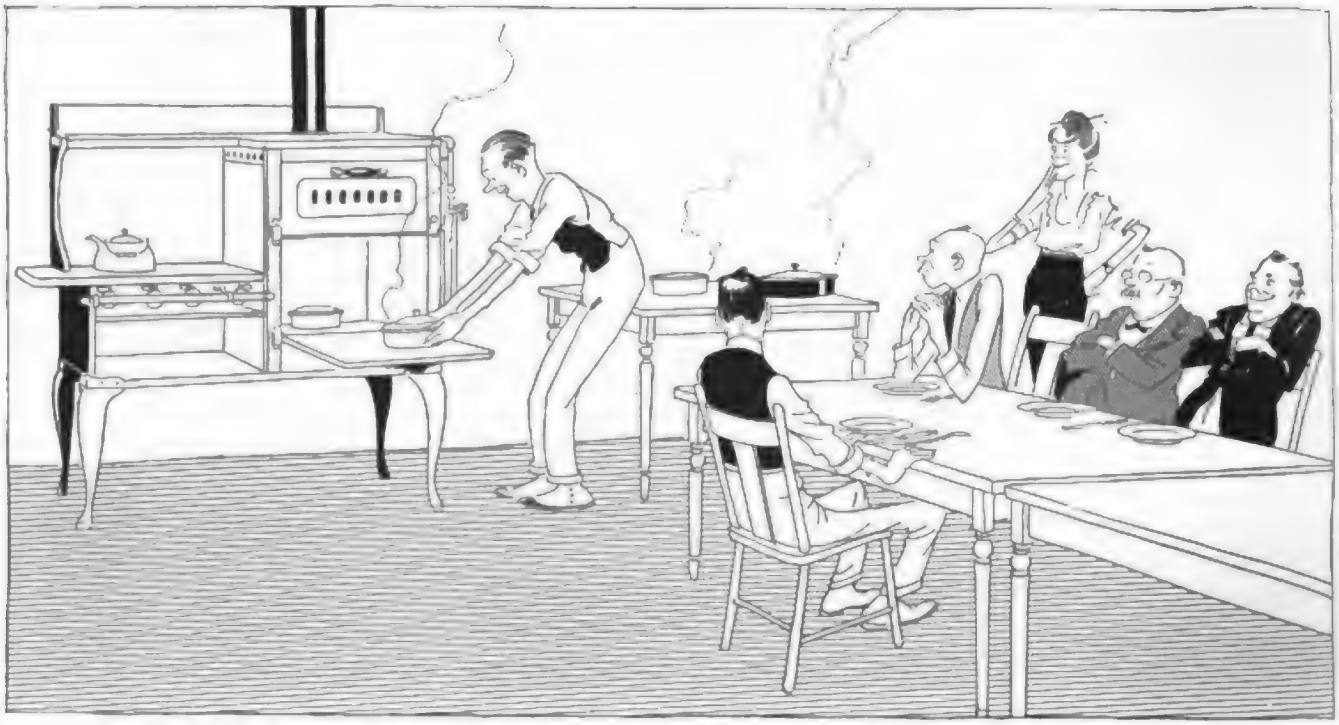
In the manufacturing plants of this country electric handling of material got an earlier start than it did in the service of the railroads, though only about one-fourth of the plants of the country are now fully equipped. However, the tales of economies they have worked in plants are getting to be old stories.

In the Goodyear Rubber Company's works electric trucks haul loads of 3,100 pounds each trip and make a round trip through a department every four minutes. In an average eight-hour day such a truck pulls more than 200,000 pounds of tires and cores, doing the work of twenty-five men.

Four trucks and one tractor with its trailers in the shops of the Lehigh Railroad at Allentown, Pa., have displaced twenty-five men with hand trucks, eight horses and their drivers and the service of a switch engine two hours a day. The total saving is $35,000 a year.

A big brass and copper company spent $700 recently for an overhead trolley conveyor system in its warehouse stockroom. This equipment has paid for itself in less than six months by

(Continued on page 27)



As Salesmen They're A1 Cooks

By LEONARD H. ALLEN

CONSIDER, first, two quotations. The first is from a successful salesman: "I don't sell. I render a service and my customers buy it." The second is from an advertising man: "The greatest medium on earth for advertising * * * is the human voice. What the maker says about his product is important. But what he succeeds in getting other people to say about it is infinitely more important."

It happens that neither this salesman nor this advertising man is in any way connected with the National Stove Company, of Lorain, Ohio, a division of the American Stove Company. But it happens, too, that those two men have summed up in a few sentences this Ohio company's whole creed in the selling of stoves.

A conversation lifted out of the every-day experience of a National Stove Company salesman is enlightening. The salesman was talking to the buyer for a big retail establishment in Chicago. The buyer happened to be one who thinks in terms of specifications. He asked the salesman:

"What does your stove weigh?"

"I can answer that question," the salesman replied, "but first I'd like to ask a question of you. What does your wife's vacuum cleaner weigh?"

The buyer grinned and confessed that he didn't know.

"Naturally not," the salesman said. "You didn't buy it by weight. Say it weighs twenty pounds. Would you have bought a vacuum cleaner of another make if the other one had happened to weight five or six times as much? You bought the machine that would give you the best service, do the best work and last as long as a vacuum cleaner should last."

Stoves, even gas stoves, used to be sold by gauges and weights; in some instances and in some sales plans stoves are still sold that way. The amount of cast iron in a coal-burning range, for instance, used to be a salesman's chief talking point. But salesmen of the National Stove Company aren't loaded with statistics on gauges of sheet steel and weights of cast iron. Instead they are taught to cook. They are taught to cook in order that they may teach their retailer customers how to cook. Their retailer customers are to be taught to cook in order that they may teach their consumer customers how to cook. And all this cooking is to be done with stoves equipped with the "Lorain" oven-heat regulator, a device that is a distinctive feature of this company's gas stoves.

It was the evolution of that oven-heat regulator into its present-day state of perfection that evolved, simultaneously, this new method of selling stoves. Briefly described, the heat regulator is an automatic device that controls the flow of gas; it is actuated by a thermostat, and this thermostat is acted upon by the heat within the oven. The regulator may be set in advance, for instance, at 375 degrees of heat, the gas turned on and the oven lighted. For as long as the stove is left that way the heat within the oven will remain at precisely the same intensity—375 degrees.

Here, in this heat regulator, was a new thing in stove design. Applied to a gas range, it made that range a new thing in cooking equipment. Here was a device that approached more closely than had any other appliance toward making culinary art an exact science—a science as exact as metallurgy, with its predetermined intensities of heat applied for predetermined periods of time. How was this new thing in stoves to be marketed?

Now the National Stove Company itself knew a number of interesting things about that heat regulator. Officials of the company had seen it created and perfected. They had seen it tested in their own laboratory—a laboratory that, by the way, they call the "kitchen." They had seen a man, a husky, two-fisted individual who would have looked more at home at the lever of a ten-ton punch-press—they had seen him mix up a "batch" of dough and bake a loaf of bread that a baker would have set in his window

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to draw trade. They had seen potatoes boiled for four hours, even with their "jackets" off, and brought out of that heat-regulated oven still possessed of their respective identities. They had seen a whole "balanced" dinner set into that oven at eight o'clock in the morning and taken out at noon, ready to be served. They, those officials, knew what their stove would do. But the world did not. How was the world to be told?

Here, obviously, was a marketing question that was less a problem of salesmanship and more a problem of education. The specific individual who must be educated was none other than the ultimate consumer, Mrs. American Housewife, herself.

How was she to be educated? Obviously the answer was through the retailer. And how was the retailer to be educated? Obviously through the maker's own salesmen. And so the salesmen of this stove manufacturing concern were taught how to cook. Most of them had had something of a culinary education; they had been cooking as they sold the older lines of their company's stoves. Now they were inducted into the higher branches of kitchen learning and taught to cook with the "Lorain" heat-regulator. New men, when added to the selling force, were sent through the whole curriculum.

This episode is typical: A young chap, seeking a place on the sales force, was being interviewed by the sales manager. He had qualified on some of the minor points. Then the sales chief asked him:

"Can you cook?"

The applicant grinned. "Well," he said, "not very well. But I didn't know that cooking would be expected of me. I thought you wanted a salesman, not a chef."

"You'll be both," the sales manager said. "Here, take this cook book and go up to the kitchen. Make an angel-food cake. You'll find the materials and the equipment up there. Bring the cake down with you."

Two hours later a triumphant young prospective salesman returned with a highly satisfactory angel-food cake. He got the job.

Then, with each of the salesmen educated, the next individual in line for schooling was the retailer. He was to be taught. Since he was not to use the stove himself, he was to be taught, as were the salesmen, so that he could teach somebody else. The salesmen went out to their territories, initiated into the uses of the new thing in gas ranges and equipped with what the company called the Merchandising Plan. Devised to do a teaching job, that plan was about nine-tenths education and one-tenth salesmanship—just about enough salesmanship to sell the plan itself and give it a chance, later, to sell stoves. The method of education selected was demonstration.

The National Stove Company is no devotee of the "set" selling talk. The officials of the company, however, realize the advantages in increased efficiency that accrue from the more or less standardized application of well-planned methods to so general an undertaking as the marketing of a new product. Accordingly, a typical application of the Merchandising Plan, taken from the experience of any one of the salesmen, illustrates the whole method.

THE salesman, calling on a customer to whom the stove has not been introduced, first describes the product. He tells the retailer what the stove will do.

"But, Mr. Smith," the salesman says, "I don't expect you to take my word for all this. I want to show you, right here in your store, what our stove will do. I want to set one up in here and demonstrate it to you."

"All right," the retailer says, "ship one in."

The salesman instructs his home office to ship the stove. When, a few days later, he is notified that the stove has been shipped, he returns to the town of Mr. Smith and prepares to demonstrate.

First he drops into a meat market and buys some beef, or pork, or lamb. Then he crosses the street to a grocery store for some vegetables. If it happens to be early in the morning, when the bakers are mixing their materials, he stops at a bake-shop and buys a couple of pans of bread dough. The expense accounts of these particular stove salesmen, by the way, carry more often such strange-looking items as "rump roast" and "leg of lamb" and "pork loin" and "Lima beans" than they display the item of "entertainment."

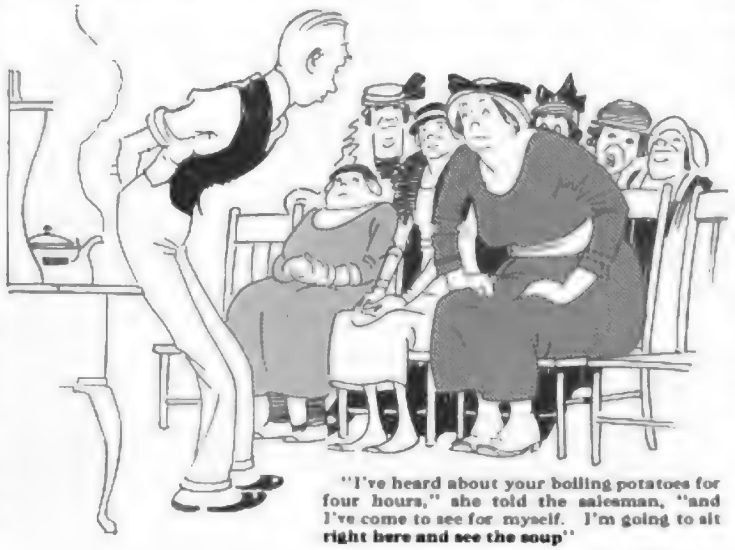
At the retailer's store, where his stove is set up, the salesman peels his coat and a few potatoes. This is preliminary to his plunging into the procedure that commonly is called "getting dinner." For a half-hour or so that salesman of stoves is as busy with pots and pans as any Bridget, and he's just as self-contained. Getting dinner is his job; and he gets dinner. He asks neither advice nor help from anybody, and, if he's musically inclined, he whistles while he works. Finally, with the dealer looking on, he puts the whole business into the oven and shuts the door. For the retailer's enlightenment he consults the cook book, ascertains the desired degree of heat and sets the little red wheel of the oven regulator at that temperature. Then he lights the gas and, as the sales manager explained it to me, he "lets 'er go."

Quite literally does he let 'er go. If the dealer looks a bit skeptical the salesman will even seal the oven door with a couple of strips of adhesive paper and observe: "There! Now you can be sure, when we open the oven at noon, that I haven't monkeyed with the stuff inside."

Then the salesman goes on about his business. He remains away from the store for four hours—away from the store and away from that sealed-up stove of his. At noon he walks in, still whistling, and casually announces that dinner will be ready in about ten minutes.

And he serves that dinner. He invites the dealer and the dealer's salesmen—or as many of them as can be accommodated. He rustles for a table. If no regulation dishes are available he uses some of those wooden things that theoretically separate the potato salad from the red ants at picnics. He forages for knives and forks. He mashes the potatoes. He brings forth the roast, brown and aromatic. He wields a skillful serving spoon and "dishes up" the vegetables. Maybe he appoints the young woman bookkeeper to sit at his left and preside over the potatoes and the gravy, the while he carves the meat. And then he says, "Well, let's go. Sit down."

The effect? Well, you know, the proof of the



"I've heard about your boiling potatoes for four hours," she told the salesman, "and I've come to see for myself. I'm going to sit right here and see the soup"

(Continued on page 33)

A Children's Market, Too

Airplane Contests for Boys; Dressmaking Contests for Girls, and a Sixty-Day Santa Claus—Stunts, Maybe, But They Make Business

By ARTHUR H. LITTLE

CAN YOU DIAGRAM the desires that live in the heart of a child? Can you chart the sales-promoting effect, as exerted upon a parent with money in his pocket, of the seductive smile of a baby vamp of two or three or five? Can you calculate the buying potentiality of a Booth Tarkington hero of eight or ten or twelve—calculate it, for instance, as you might count his freckles? Can you get along in your business without the stalwart good will and the lasting patronage of the children?

If you can do these things, then this story is not for you. You are too tremendously grown up, too vastly sophisticated. You may pass up this tale and assume, if you like, that what you have passed up would cause not a ripple in the even current of your personal life and affect not a penny in the balance sheet of your business. And yet, who knows? Maybe it would!

Read on, if you like. But, be forewarned that you will find herein no tabulated statistics of results, no cut-and-dried manual of merchandising technique. Suggestion, perhaps; and inspiration, let us hope.

The story concerns Miss Mary Marston, advertising manager of the Burgess-Nash Company, an Omaha department store concern, and the children of Omaha and its environs. There you have the characters and the setting. Now for the plot.

First, by way of a keynote, this from Miss Marston: "Yes, I think that possibly many department store concerns don't realize the possibilities in sales promotion that lie in the direction of merchandising to children. It is obvious, of course, that the children of today are the men and women of tomorrow. In themselves, and today, the children are a big market. When you bring the children into the store you bring their parents in with them. But besides all that and beyond all that, there is something that hasn't a thing to do with sales, or prestige, or even good will. And that's the fun you get out of it. Don't you think so?"

Miss Marston thinks so. Most assuredly and most decidedly does she think so. And as she thinks, so does she act. When she speaks of the merchandising achievements of the Burgess-Nash store Miss Marston uses as her subject a modest "we." But when she applies that "we" to the merchandising of the Burgess-Nash store to children, then she is editorializing. That "we" is herself.



Miss Mary Marston, advertising manager of the Burgess-Nash Company

Miss Marston has "sold" the Burgess-Nash Company to the children of Omaha. Big and little, rich and poor, black and white, they're sold on Burgess-Nash; and they're ready, upon the slightest provocation, to go on record *en masse* to that everlasting effect. They are sold, it seems, for life.

HOW has she done it? If you ask this chronicler he will tell you he suspects that Miss Marston uses two things: her heart and her head. She likes children; she knows their natures; she uses her intelligence. Her actual technique varies. It may be a simple thing, such as a story hour in the children's book department or a contest of dressmaking for the juvenile "mothers" of dolls; or it may be a big and noisy public event, such as was the Burgess-Nash Christmas party of last year.

Now the trouble with Christmas is that it not only comes but once a year, but it consists of only one day of the year. At best, the most elastic Christmas that ever was could be stretched to last only a week or ten days. And anybody in the world but an adu would know that that's no way fo Christmas to be.

Miss Marston knew. She too the calendar last winter and sh fixed Christmas up as it ough to be fixed up. She made it las two months. She brought Sant Claus to Omaha and to th Burgess-Nash store on the firs of November.

For her Santa Claus Mis Marston picked a local Sant Claus artist, a Saint Nick o years of experience. "He is," she explains, "just an old peac of a Santa Claus." On th morning of the first of Novembe Miss Marston sent her old peac of a Santa Claus over to Counci Bluffs, just across the river fron Omaha. He carried his make-up in a suitcase, incombustible whiskers and all. In Counci Bluffs he boarded a North western train, headed for Omaha On the train, during the half-hour ride across the river—and to the edification of his fellow passengers—he opened his suitcase and got into his gear.

His coming to Omaha, as he well knew, had been heralded. He was arriving from the North Pole. The Burgess-Nash space in the Omaha papers of the day before had told the precise time that he would arrive at the Omaha station. He was coming well in advance of Christmas, the announcement had explained, in order that he might get into touch with the younger citizenry of the community and sound out certain wishes and aspirations concerning Christmas. Thus forewarned, the gifted Santa Claus, crossing the river to Omaha, cinched up his patent leather belt and got himself set for a strenuous reception. He got one.

Princes and potentates have visited Omaha. Presidents of the United States and public-spirited volunteers for that same high office have gone there to make speeches and shake hands. All these have had their receptions. But no one of them ever was received as was that old peach of a Santa Claus when he rolled into the Union Station on the first of last November. They met him, did the children of Omaha, and they well-nigh dismembered him. The police had to rescue him, his whiskers askew and four or five strong children clutching his coat-tails, and

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then they fairly had to smuggle him up to the Burgess-Nash store. At the store he held a formal reception; at least, it was as formal as the circumstances would permit.

For days that Burgess-Nash Santa Claus received the population of Omaha. Population is right! Not only the children came to see him and talk with him, but their parents came, too. A newspaper reporter dropped into the store one day to interview the Polar guest. The reporter got his interview and printed it. Then, after press-time in the late afternoon, he brought five enthusiastic youngsters of his own down to the store for five more interviews.

Publicity? What was a presidential election, more or less, with Santa Claus in town two months ahead of time?

Then, and right at Christmas time, too, there was a kids' circus. Miss Marston found a pony, a "trick" pony, and a whole cageful of monkeys. They were "playing" at a local vaudeville theatre. She engaged them and, with Santa Claus as a sort of glorified ring-master, and with an eight-year-old orchestra to furnish the fanfare, she staged a circus in the toy department. The circus "went big." It went so big that the toy department had to move to make room for it and its spectators; yet the Burgess-Nash store broke all its own records for the sale of toys.

That Christmas party, by the way, had another side. That other side had nothing whatever to do with merchandising. But maybe the telling of it will give an insight into why the Burgess-Nash store, not only as a store but as an organization of human beings, has endeared itself to the children of Omaha. Maybe, too, it will give a bit of an insight into the personality of the same woman advertising manager who staged the arrival of Santa Claus and the Christmas circus, and thereby set all Omaha agog with shopping excitement. There was no public excitement about the other side of that party; if publicity attended it the publicity was merely a natural consequence.



Morrie Palmer took skillful charge of the aviation section in the toy department

Omaha has its poor. Just as has many another city, Omaha has its hundreds of children to whom Christmas, in the ordinary course of events, would mean nothing more than little longings unsatisfied, little wishes unfulfilled, little heart-aches that just keep on aching. At Christmas time, have you ever seen a ragged little urchin, his nose pressed flat against the cold plate glass of some gorgeously fascinating display window, gazing round-eyed at the wonders within? If you should question him, he would answer you gruffly, perhaps, and avow that he could "git along without them things." But you would know that deep down in his brave little heart he lied, and lied like a gentleman. Does that little fellow exist only in the movies? Ask the first policeman you meet.

It was for him, the little arab of the streets, and for his brothers and sisters, that the Burgess-Nash institution, not as a store but as an organization of folks, staged another Christmas party last December. For this party preparations were made quietly. Nobody posed for pictures; nobody gave out interviews. Miss Marston and her assistants in the advertising department went to the school teachers and the civic welfare workers for the names of children. The list so compiled was then apportioned to the departments in the store, to the employees within those departments. At first the basis of apportionment was one child to a department; but later, when the departments came back for more names, this basis had to be changed.

The departments made up Christmas boxes, wonderful affairs, for which the management sold them the merchandise at cost. Into the boxes went toys and candy and clothing and even food. Then the boxes were laid away until Christmas morning should come.

It was on Christmas morning that this other party was staged. For the first time the handsome new store building of the Burgess-Nash Company, adjoining the old store and then not quite ready for occupancy, was thrown open for a public assembly—for that extra-special Christmas party to the little unfortunates. Santa Claus was there, the same old peach of a Santa who had come to town two months before, and so were the pony that did tricks and the cageful of monkeys and the juvenile orchestra. The guests came in squads and platoons and companies. Some of them,



In that month enough airplanes were built in Omaha to equip a young A. E. F

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who couldn't otherwise have been present, came in taxicabs, sent for them by Burgess-Nash. It was a glorious affair, and uproarious.

And finally, this crowning touch, this bit of inspired finesse that only a woman would think of: With the party at its height, one by one and stealthily, the Burgess-Nash delivery trucks slipped out of their garage, loaded up those wonderful Christmas boxes, and sped away to the homes of the guests. There they left the boxes and then slipped quietly back to their garage. The party was over. The children went home, flushed of face, hoarse of voice and all tired out. Then —surprise! The Christmas boxes were waiting for them.

And now to return to the viewpoint of the cash register. Your practical-minded merchandising manager is inclined to look askance at what he calls "stunts." Christmas parties and all that sort of thing are all right, he will concede, but stunts will not sell goods the year around. Suppose Christmas actually can be stretched out to two months, how about the ten other months on the calendar? Juvenile merchandising may be all right, he will hold, but any plan of merchandising ought to be constructive.

Miss Marston of Burgess-Nash agrees with that contention, agrees whole-heartedly. But she has an idea that a plan of merchandising that begins to operate when the individual juvenile is born is fairly constructive. The arrival of the stork in Omaha is regarded as bringing a new customer for Miss Marston's store. She and her assistants watch the birth columns of the Omaha papers. A notice beginning, "Born to Mr. and Mrs.—" is the automatic signal that starts a self-propelling procedure. There goes out through the mails a bit of greeting, along with a tiny, card-form questionaire, addressed to the parents of the new citizen. The questionaire, when filled out with the baby's name and the names and address of the parents and returned to the store, entitles the brand new customer to a gift from the store. The gift, always a useful and dainty thing, is selected by a woman.

That questionaire card goes into a file in the store's advertising department. At the end of its first year in the file the card reappears automatically. Baby's first birthday has arrived. Again Burgess-Nash communicates with the parents, this time through the medium of a little letter that is headed, "Baby's First Birthday," carries a message of congratulations and good will, and concludes with this: "Again, upon this important occasion, we send best wishes and enclose a card, which, when presented at our store, will entitle you to a little present that Baby will enjoy."

Miss Marston calls that sort of thing "keeping track of the youngsters." And how she does keep track of them, not only when they are brand new, but when they are older! For instance, there is her card file of available entertaining talent. This is a compendium of information that is made up from talks with school teachers, from careful reading of the newspapers, from observation at children's musicales and even from vigilance over the local vaudeville theatres. In that card index, for instance, are listed the performing pony and the cageful of monkeys that helped Santa Claus stage the Christmas party last December.

In that same card index, as another example, are listed the names of four little dancers, four little butterflies, who live in Omaha and who, for Miss Marston, will do 'most anything. They danced for her at the store last winter and they drew tremendous crowds. On one magnificent occasion they even appeared as models. Upon that never-to-be-forgotten occasion they didn't have a thing in the world to do but put on Mina Taylor Junior dresses—and such lovely dresses, too!—and just wander around the store and visit with the patrons. They rode up and down in the elevators, were bowed to by lordly floorwalkers and were fussed over, tremendously, by feminine customers. They sold no Mina Taylor Junior dresses; but the Burgess-Nash Company did.

It was that card index, too, that furnished valuable information for the girls' dressmaking contest of last summer. Announcement of the contest appeared in the Burgess-Nash advertising space in the newspapers. The announcement carried drawings of Mina Taylor Junior dresses. The juvenile seamstresses of Omaha were invited to copy the pictured frocks in dresses for their dolls and to enter their handiwork in a contest in which the prizes would be Mina Taylor Junior dresses for the dressmakers. Did they accept the invitation? Omaha never has experienced such an epidemic of dressmaking.

AS a matter of fact, juvenile dressmaking attained such a momentum during that contest that when the contest closed the dressmaking refused to stop. Little girls still wanted to make doll dresses. Very well, said Miss Marston, we'll bring them here to the store and let them make doll dresses to their hearts' content. They came and they brought their dolls. The Burgess-Nash Company furnished the materials—remnants from the factory where Mina Taylor Junior dresses are made—and assigned a squad of young women to act as dressmaking teachers. Dressmaking days have now become an institution. On dressmaking day the youngsters, each clutching a doll, are waiting outside when the store opens in the morning. Their mothers are waiting with them.

In the card index is carried the name of Felita Hensen, aged eleven, undisputed story-telling champion of the Middle West. Felita reads stories. She reads fairy stories, school stories, Girl Scout stories, Polyanna stories, tales of stirring adventure; and she tells those stories—and improves upon them. Some of the wondrous stories that she tells, she smilingly admits, she just makes up in her head. But for complication of plot and sheer thrill of interest, the ones that she makes up in her head far surpass the ones that she reads in books. Felita Hensen, it appears, is the American Daisy Ashford.

Felita, too, is sweetly willing to perform for Miss Marston. Felita performs

(Continued on page 46)



Omaha never has experienced such an epidemic of dressmaking

The Eyes of Our Foreign Trade

Would You Export Soap, Stockings or Automobiles? Or Import Bay Rum or Shark Skins? An American Consular Agent Will Tell You How

By DANIEL HENDERSON

"WE'VE GOT to sell our goods abroad," Corbin said to Wayne, his partner. "Competition in America is too keen. We need new outlets for our goods. How do we go about it? It's all Greek to me."

"You can search me," said Wayne, "but I think our best bet is to get in touch with the Bureau of Foreign and Domestic Commerce. Maybe they can put us on the right track."

"Take this letter, Miss Cross," Corbin said. The stenographer began to write to his dictation:

> Bureau of Foreign and Domestic Commerce, Washington, D. C.
> Gentlemen:
> We desire to extend our market to countries outside of the United States. Can you give us the names of dealers in all classes of electrical goods in Europe, Australia, Japan and South America? Any information you can supply as to these markets will be appreciated.

Shortly afterwards they received an answer. It enclosed a list of agents for electrical supplies in the countries Wayne had mentioned and also furnished a special report by practical field experts who had investigated the opportunities these territories offered for the sale of American electrical supplies. Within a few months Corbin and Wayne received their first foreign order, and before a year had elapsed they were boasting to business friends of markets abroad.



PHOTO BY UNDERWOOD & UNDERWOOD

The great market at Moscow

Within recent months one of the investigators employed by this bureau brought together the agent for an aluminum company in Pennsylvania and the purchasing agent of the Sociedad Hidroelectrica Espanola, of Madrid. As a result of the negotiations the American concern obtained a contract amounting to $750,000. The bureau's representatives, in the face of English and other European competitors, were also able to obtain for an American metal company an order for $500,000 worth of copper wire.

Another attache of this bureau was sent to Shanghai, China. A few months after his arrival he helped to organize a new American bank as well as a Chinese-American bank. He found a scarcity of cotton goods, due to the war. China possessed plenty of raw cotton and an abundance of cheap labor. Machinery, however, was lacking. He communicated with American machinery manufacturers, and as a result equipment for ten cotton mills, costing millions of dollars, was bought in America and installed in China. He also helped to establish an American tannery; was active in the sale of American cars and railroad equipment; aided American architects to obtain building contracts in China; and with the aid of a motion picture outfit exhibited a series of American industrial films to Chinese business men, acquainting them with American products and methods of production.

Another investigator has recently returned from a study of the jewelry and silverware markets of Latin America and has supplied the jewelry trade of the United States with valuable information as to the requirements of our neighbors in the tropics. Four lumber investigations were made by the bureau's timber experts in Europe and the information brought home by them to American lumbermen is resulting in improved plans for reducing the loss in stumpage and for eliminating other wastes. For American chemical industries the bureau sent an expert to study conditions in European countries. He returned with a valuable forecast of after-the-war developments. American mining interests have watched closely the recent careful investigation of the bureau's mining expert into the mineral resources of China. Another investigator traveled 35,000 miles to report to American business men the transportation and port facilities in the Far East. Hundreds of similar examples of the activities of our trade scouts abroad could be cited.

Thomas W. Lamont, of J. P. Morgan & Company, sounded the note to which American business will advance when he said on his return from a commercial mission to Siberia, China and Japan:

"There is a tremendous market in the Far East for American products. That part of the world bids fair for the long future to be the greatest foreign outlet in the world for American enterprise if properly developed."

Fortunately for American business, when it awoke to the need of thus developing its world trade, it found that foresighted statesmen had already provided the machinery.

In 1912 Congress created the Bureau of Foreign and Domestic Commerce. Its duty was to be the collection, arrangement, classification and distribution of statistical information concerning opportunities for world trade and to foster, promote and develop the various manufacturing industries of the United States, and markets for these industries at home or abroad.

Since 1842 one of the duties of our consuls has been to send home for the benefit of exporters reports concerning the opportunities and facilities for the sale of American goods in the countries where they are stationed. When the bureau was established, to it was assigned the duty of assembling and distributing these consular reports. Thus the consul at Nassau writes of

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PHOTO BY BROWN BROTHERS, NEW YORK CITY
Delivering an American piano in Pernambuco, Brazil

Nassau's shipping and harbor facilities and of the requirements of its people.

The consul at Aleppo, Syria, informs American firms that the catalogs they are sending into that market are confusing to the natives and suggests ways for making them more effective. The consul at Christiana, Norway, reports on an industrial fair held in that city; while the consul at Foochow, China, writes instructively of the development of the camphor industry there.

Thus in every port in the world these consular agents are paving the way for the sale of American goods. So far as foreign markets are concerned, they are the eyes of American industry.

Engaged in similar work are our commercial attaches, stationed at Paris, Madrid, Rome, The Hague, Copenhagen, Rio de Janeiro, Buenos Aires, Mexico City, Pekin, Tokio and other places. These are placed by the bureau, through the Department of State, at our embassies and legations and fill the office of assistants, on commercial matters, to the ambassador.

Often there are times when the latter is glad to consult over some trade problem with a man who has had special commercial or economic training, and the commercial attache supplies this need. The attache, because of his practical knowledge and close touch with American business men, has proved his worth over and over again in protecting the interests of firms at home. Many an American business man traveling abroad has been benefited by the advice and assistance of these officials.

The bureau also employs traveling investigators who bear the title of trade commissioners. There are, for example, several of these now in Great Britain who make their headquarters in the office of the commercial attache, and work under his direction. These men are specialists possessing technical experience in certain lines of industry. They make exhaustive trade investigations for various lines of American business. Before beginning their work they call on the principal concerns in the industry for which they are to make a report, and when their inquiry is finished they make a personal tour of the industry at home, bringing facts and figures that will enable the manufacturers of America to extend their markets to the contemplated foreign fields.

From these three sources about 40,000 commercial reports come to the bureau through the Department of State. These are edited and issued to the public at a price that merely covers the cost of compiling and printing. A glance at random through these reports shows the thoroughness with which their facts are gathered, the difficulties that must be overcome, and above all the romance of developing world markets.

Take, for example, Vice-consul Digby A. Willson's report on the American catalog sent to Aleppo, Syria. How full of helpfulness this is:

> Attention has been brought to the Aleppo consulate by various local importers and commission merchants concerning the practice adopted by American manufacturers and exporters in relation to the make-up of catalogs and price lists sent to this country, which, while describing the articles offered for export to Syria, are prepared without taking into consideration the buyer's ability to understand them.
>
> As an example, let us take the catalog issued by an American manufacturer of toilet articles. The catalog consists of a large sheet of paper containing photographs of articles such as shaving soap, toilet water, barber's soap, etc., and under each photograph the number of the article is given. The price list accompanies the catalog, but upon investigation the price list is found to contain no numbers corresponding with numbers in the catalog, but only the names of the various products. This method is extremely difficult for buyers to comprehend, especially when the catalogs are printed in English, a language not understood by them. Further, in many cases, the photographs of the articles are taken of side views and the names of same cannot be read.

One can imagine an automobile manufacturer scanning with pleasure a report like the following, received from Consul K. S. Patton, at Belgrade, Serbia:

> It is estimated that 100 cars have been imported during the past year. Of these, at least three-fourths are of American origin and belong to the category of low-priced, high-powered cars. A conservative estimate places the number of passenger automobiles to be absorbed by this country in the next twelve months at 400. This is exclusive of cars for government purposes.
>
> Very high prices are being realized on both new and secondhand cars. American relief organizations which are closing up their work in Serbia have sold cars which have had several years' service at prices approximately the original costs.
>
> There is a market for American cars in this country, but sales cannot be made through catalogs and by correspondence. It will be necessary for American exporters to secure a local agent who will be in a position to import cars and sell from his stocks. American automobiles are undoubtedly the most popular in the local market.

When your boy sells your old newspapers to a junk dealer what becomes of them? Consul Spamer of Medan reports a use for them—a use of which possibly no one in America has dreamed:

> Trade in secondhand newspapers in the Sumatra East Coast has shown a decided increase during the last year and a half. The imports from the United States during the year 1919 were 33,767 pounds. There were 642,726 pounds accredited as coming from Singapore, but since it is a port of transshipment it is safe to say that much of the imported paper from this point came originally from the United States and was reshipped to Medan by Singapore dealers.



PHOTO COPYRIGHT BY E. H. NEWMAN
Chien-Mien and the great water gate at Pekin

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These newspapers are largely used by the Chinese tradesmen for wrapping and packing goods for local delivery. The market demands clean, full-sized newspapers, without colored supplements, packed in bales of 250 kilos (about 550 pounds).

When the barber brandishes over your thinning locks a bottle of bay rum, do you reflect that it is a first cousin to the famous Santa Cruz rum? Such is the case—as the following report from the bureau shows. The report also reveals a possible opening for American capital:

The Virgin Islands have one industry that is unique and unrivaled. The finest bay oil and bay rum in the world comes from the islands of St. John and St. Thomas. The essential bay oil is extracted from the leaves of the tree by distillation and combined with rum (this rum comes from Santa Cruz, a neighboring island) to make the cheaper grades and with alcohol to produce the higher grades of bay rum.

The price of the essential bay oil and of bay rum has consequently been on the upward trend and there is practically an unlimited market in the United States, England, and the British West Indies for all the islands can produce. The industry, however, is unorganized and has never been exploited to its fullest extent. Properly developed it would greatly add to the annual wealth of the islands.

CONSUL A. E. Carleton, Medan, arrests us with these facts about the soap market of the Sumatra East Coast:

The business in toilet soaps for the local traders is not large, since the demand for the higher grades of soap comes almost entirely from the European and the better class of the Chinese. The natives desire a cheap, strongly perfumed soap. The cakes are usually small and the wrappers must be attractive; in reality the highly colored container has as much to do with the selling value of soaps as the quality and price of the contents. In one retail shop in Medan, American toilet soaps were priced at $0.48 to $0.60 for one-quarter dozen cakes. These prices compare very favorably with those from other countries

American toilet soaps are well thought of here. America's strongest competitor is Great Britain, and when the relative prices and qualities are taken into consideration there would appear to be no reason why the United States should not only maintain its present position, but should increase its exports to this market. The American trademark is becoming well known throughout the city of Medan and the several flourishing cities and villages of the hinterland. The popularity of American trademarks is best evidenced by the increasing "over the counter" sales.

Consul Carleton, in another report, conveys to our stocking manufacturers the information that "the natives, especially the Chinese, are wearing socks much more than formerly." It appears from his report that a salary of $20 a month forms the dividing line between those who wear socks and those who go sockless. He concludes with the following suggestion on containers:

A leading importer who has a decided preference for American hosiery has pointed out that the general make-up of American containers is not sufficiently gaudy for the bazaar trade. It is undoubtedly a fact that the natives look at the containers before purchasing, the outside of the box being more important than the quality of the contents. This importer stated that each box ought to have some attractive colored picture capable of immediately attracting the native. The human element in these pictures is much more important than the picture of the manufacturers' plant or a bit of scenery.

That the Chinese of South Manchuria are eager to learn English and to acquire American typewriters is vouched for by Consul General A. W. Pontius, of Mukden, China. He writes:

South Manchuria is making rapid strides along commercial lines, especially since the termination of the war, and many foreign firms have opened branches in various commercial centers throughout this district. These firms naturally require a large number of Chinese clerical assistants familiar with the English language and the methods of foreign business houses. A knowledge of typewriting is usually required of applicants for positions in these newly established offices. The student class, which is very numerous, is fully aware of this fact, and students who intend to take up a commercial career at the expiration of their studies would also like to gain proficiency in typewriting; consequently a good demand could be created, provided both prices and terms of payment could be made to meet their means. The students of this district come mainly from the comparatively wealthy land-owning and farming classes and can well afford to purchase moderately priced machines.

Sharks would appear to occupy a small place in the minds of American business men. Yet the consular eye misses nothing and from Consul William C. Burdett, Ensenada, Lower California, Mexico, we learn this:

The shark-fishing industry is becoming increasingly important in the Ensenada consular district. The Lower California shark, known locally as the dogfish shark, is from four to five feet long and weighs from 90 to 125 pounds. The fishing is usually done by individual fishermen working out from camps on land. The fish are caught on long set-lines, on which are 50 to 100 hooks baited with small fish or lumps of shark meat. These lines are secured to floats, and the fishermen visit the lines daily to remove the catch.

The fins are sold for consumption by Chinese in shark-fin soup. The liver is boiled down and shark oil rendered out; each liver gives an average of one gallon of oil. This oil is used in paints and as a leather preservative. The remainder of the fish is dried and made into fertilizer or chicken feed. The skins are not utilized, except for fertilizer. Frequently shark steaks are sold by Chinese in the district under the name of grayfish.

The large canneries operating fish-fertilizer plants in San Diego, Calif., are eager to buy shark, and the newly finished plant at Sauzal, Lower California, expects to specialize on converting shark into fish-meal fertilizer.

The motion picture industry is especially interested in the development of foreign markets. The helpful service in all countries rendered by the bureau to American film manufacturers is illustrated by a report made by Trade Commissioner V. A. Geringer Prague, in which he states that in the Czecho-Slovak market there are now 450 motion picture theatres giving 180,000 performances, and with an average of eighteen films seen by each theatre-goer. He estimates that these figures will soon be doubled. He also states that while the American films are almost universally acknowledged to be the best, only 12 per cent of those in use come from the United States. In statistics showing the amounts of films imported, Germany led in 1919 with 60 per cent of the total, while 14 per cent came from France. The projection machines are mostly of German make.

F. W. Allport, secretary to the Trade Commission at Vienna, reports that American films of the extremely sensational type are popular. "A snappy detective film filled with action and intense dramatic situation finds instant favor," he says, "but the drawing room and city must furnish the setting. Wild West films are not understood and not liked."

The following report from China suggests the possibilities of the industrial motion picture film as a substitute for printed catalogs·



PHOTO BY BROWN BROTHERS, NEW YORK CITY
A shipment of American ink at Tokio



PHOTO BY BROWN BROTHERS, NEW YORK CITY
American beehives in an Algerian apiary

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While the Chinese are not keenly interested in American photoplay films, it is not difficult to secure any night in the week a large representative audience of Chinese business men to witness the display of motion picture films depicting American industrial and commercial life.

The American commercial attaché has been trying for several years to secure from American manufacturers and commercial organizations educational and industrial films for use in China. About 100 of these films have been collected and are being circulated over the country. The demand is far in excess of the supply, and several thousand of these films could be kept in circulation to good advantage.

When the Silk Association of America wished to convince the Chinese silk producers that it was to their interest to prepare the standard American skein, it decided that the most effective method would be through the display of motion picture films among the Chinese silk producers, showing how American silk mills operate, and how best to prepare the standard American skein. When the representative of the Silk Association of America visited Canton, the great silk center of the South, to show these films to the silk producers there, he had audiences of 1,000 to 1,400 people each evening for ten days. Hundreds of silk men came in from the country to see the pictures, and went back convinced of the great market possibilities which the United States offers for Chinese silk, if prepared to meet the needs of our high-speed machine looms. As a result of his visit, within three years' time 25 per cent of the silk of that section of China was prepared in the new way and substantially increased America's source of supply. A similar work was done in the silk-producing sections of Central China.

American manufacturing interests could well afford to defray the expenses of a man who would give his entire time to the circulation and display of American educational and industrial films in China. These films represent the most up-to-date American trade catalogs, and this is the only really effective way of carrying the message of the American manufacturers to people who speak a language entirely different from our own, who are receptive to modern industrialism and who want to be shown.

Naturally the trade commissioners, in pursuing their investigations, have come on many opportunities for the introduction of American goods. An engineering company in India wants to buy machinery for the manufacture of bricks and tiles; a merchant in the British West Indies wants to act as agent for a flour manufacturer; a commercial agent in Australia wants to represent an American maker of boots and shoes—these and hundreds of similar opportunities are discovered. They are at once reported to the bureau and are included in the daily commerce reports. Thus they find their way to the desks of the manufacturers at home and result in the placing of many valuable orders with those American concerns that are live enough to go after the business.

The director of the Bureau of Foreign and Domestic Commerce, in a recent address before the American Manufacturers' Export Association, predicted that the United States will soon enter on an era of world-wide commercial predominance. He showed that the great commercial nations of the past owed their foreign trade to the fact that they were situated at the centers of commerce—in other words, at the crossroads of trade.

America, he pointed out, is now at these crossroads. One of our doorways faces the Atlantic; another the Pacific; another the Gulf of Mexico; and besides, we have connecting links through the Panama Canal. Moreover, we have the ability, labor and improved machinery that makes possible economical mass production, so we can supply all the markets of the world with manufactured goods.

The task now remains for American sales managers and salesmen, cooperating with these government trade intelligence officers, to prepare to enter upon their world opportunities. Without the services of these business observers it would be necessary for American concerns that desire to develop foreign markets to keep their own expert representatives abroad at their own expense. The government, however, has considered that this work is its duty and is expanding its facilities so that American exporters are kept regularly and frequently informed of credit, exchange, political stability and other conditions affecting their foreign markets.

Merchandising Michigan

By D. S. KNOWLTON

"*MERCHANDISING* Michigan" is what the Michigan Tourist and Resort Association is doing in its office in Grand Rapids.

Now that may seem a rather peculiar business to be in; but Michigan has merchandise for sale, just as a department store has, and its customers are the thousands of people from neighboring states who spend their vacations in the Michigan playgrounds.

A department store advertises to get people to come into the store. Once they get inside the door, the chances are that they will buy—and no matter from what person they buy, the house will profit by the sale.

Now Michigan, one might say, is a big department store. Its merchandise consists of its rivers, lakes, beaches, forests, fishing, golfing, automobile roads, and the like; and the job of Michigan's ad man is to get people inside the state. If they once cross the line, the chances are that they will buy—they will spend both their vacation and their cash in Michigan—and no matter what particular resort or community they buy from, the state will profit by the sale. In volume of "sales" most of the various hotels, resorts and merchants will come out about even at the end of the summer's work.

Michigan's ad man is Hugh J. Gray, secretary and manager of the Michigan Tourist and Resort Association. A brief quotation from the pamphlet issued by the association will give its ideals and purposes, and the angle from which this merchandising job has been approached:

"Some of the representative owners and managers of resort property in western and northern Michigan, feeling that there were many thousands of people in territory naturally tributary to Michigan resorts who did not take advantage of the natural playground provided for them, decided to concentrate their efforts on the matter of inviting more people to come to Michigan; of furnishing complete and impartial information to guests, actual and prospective, and finally and not the least important, seeing to it that the guests of good old Michigan returned to their homes with the feeling that Michigan was a hospitable and friendly state, as well as all the other things for which nature has distinguished her.

"And thus we have the 'why' of the Michigan Tourist and Resort Association, which acts as the official host, information bureau and sponsor for its hundreds of members distributed over Western Michigan from St. Joseph to Mackinac Island and back into the interior to the thousands of inland lakes and those delightful breathing spots untouched by the hand of man except to make them more accessible and to accentuate their beauties.

"The Michigan Tourist and Resort Association is not organized for profit.

"It is supported entirely by its membership.

"It cannot accept any fee or remuneration from any inquirer to whom it may furnish information."

The association was started four years ago with practically no assets except the faith of its secretary and founders in its ultimate success. That that faith has been justified is shown by the fact that today the association has members throughout the entire state, from the southern line to the upper peninsula.

The majority of its members are men whose business profits by the tourist trade: resort owners, retailers in resort districts, hotel men, and the like. No member is accepted unless he is a reputable man doing a good, legitimate business, hence a membership in the association serves also as a recommendation. A membership may be obtained for $25 a year, but members are urged

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to carry a number of memberships proportionate to the size of their business, so some members carry as high as fifty.

Last year the association spent $25,000 in advertising; this year it expects to spend $35,000. It is the manner in which this appropriation is spent that is of interest.

In the first place, bear in mind that the association is not advertising any particular resort or locality, but is advertising the State of Michigan—and that it backs up its advertising by free service and information to travelers and tourists.

Advertising reaches the public through four media:

1. A pamphlet of general information and interest concerning the playgrounds of Michigan.
2. Newspaper advertising in fifty large dailies throughout the central South and West.
3. Advertising in travel information bureaus.
4. A double-page color spread in every automobile blue book in the United States.

Now this is what happens:

Jonathan Jones, of Cincinnati, reads one of these ads and writes to the association in this wise:

"I believe I would like to go up into the upper peninsula this year. Are the roads good enough so that I can take the whole family in my machine? Where is a good place to stay when I get there, and just how do I reach it?"

The association immediately replies by letter, specifically and truthfully answering the questions about roads and routes, but giving only general information regarding resorts and recreation grounds. But immediately all the members of the association in the upper peninsula receive word, through a bulletin of the association, that Jonathan Jones of Cincinnati is in the market for a place at which to spend his vacation. Whereupon any resort owner on the peninsula, if he is on the job, may himself write to Jonathan Jones, setting forth the advantages of his particular establishment and locality, and sell him if he can.

Thus does the association maintain its impartiality, and thus does it furnish its members with A1 prospects for business. In short, the association, through its advertising, brings the customer to the point of entering Michigan's department store; it is then up to the individual clerks—the resort keepers—to sell him.

Thousands of letters of inquiry come into the office of the association in this way every summer. Every one is individually answered, and every name is turned over to members of the association by means of the regularly distributed bulletins. It sometimes happens that a single prospect for Michigan business may receive fifty different solicitations as the result of a single letter of inquiry to the association!

The difficult thing about building up the organization, Mr. Gray says, was to get the small resort owner or retailer to understand how he could benefit by advertising in which his own name, business and location were not even mentioned!

The 1920 general advertising folder, for instance, consisted almost entirely of illustrations—the kind of pictures that make a man hunt up his last year's bathing suit and smash the chandelier with his golf clubs. But there is practically no mention of specific places, hotels or resorts, except titles to the pictures. This general folder merely whets the appetite. It is up to the individual member, upon seeing the name of the prospect in the bulletin, to advertise his own specific location and resort. As soon as the small resort owner understands the why and wherefor of the plan, he signs up for a membership and orders a typewriter and stationery.

That is why this plan is more than an advertising campaign; why it may be called, in the truest sense of the word, "Merchandising Michigan."

For the Golf Trade



EARLY IN JANUARY the Metropolitan Clothing Store, of Dayton, Ohio, began looking around for something different to help increase sales of men's clothing. When John Lauber, the store's advertising manager, learned that Joe Nicoll, professional golf instructor at the Dayton Country Club, was looking for a suitable downtown room in which to give private lessons, he arranged a conference with Mr. Nicoll. As a result an unused room in the basement of the store was cleaned up and fitted with suitable lights. A special canvas background and heavy netting were suspended from the ceiling, and the indoor golf course was ready for business.

Beginners, as well as older players, drop in once or twice every week for instruction. Regular clubs and regular balls are used, the balls being driven against the canvas from an ordinary cocoa door mat. These mats have saved many clubs from ruin, especially on Thursday afternoons, which is consecrated to women beginners. The canvas background contains nine large pockets, each of which represents a distance that the ball might be expected to travel on a regular course.

This indoor golf course appealed to the Metropolitan for two reasons: the management wanted to draw a good class of men to the store, and at the same time eliminate any attraction that might encourage loafing; it also intends to install a complete sporting goods department at some later date, and the indoor course is a step towards the attainment of that purpose. The store has handled golf clothing for several years, but the idea now is to get local players to think of this store when they think of golf.

As the beginner leaves the room after a lesson, wondering whether he will ever get both form and force into his swing, he sees a neat, hand-lettered card which suggests that he can get "Perfect Freedom of Swing in one of our Golf Suits." Perhaps his coat *is* a bit tight; he might as well look at those suits on his way out—and the only exit is through the store.

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Doctor Credit and Mr. Sales

Can a Man Sell a Firm's Credit Policy While Selling Its Goods? "No," Says One Executive; Another Says, "Why Not? Our Men Do"

By WILLIAM C. CAMPBELL

THE COMPANY TREASURER turned away from his visitor to talk to his assistant, who had come in with the papers of an account.

"Refinancing—that's the only thing I can see for them," the treasurer told his lieutenant. "This way, for instance."

He scribbled figures on his scratch-pad; he and his assistant rustled around among the papers; the two of them talked in low tones about such things as two hundred and fifty thousand dollars and debentures and the like. Finally they surveyed what they had done.

"About like that," the treasurer said. "We'll work it out in more detail and submit it to 'em next week."

"Yes, sir," the assistant said; and he gathered up the papers and the scratch-pad and went out. The treasurer resumed the conversation with his guest:

"As I was saying, I've never been sold on this idea of making credit men of the salesmen. The first reason why I am against it involves the subject of temperament. A salesman is a salesman by temperament; a credit man is a credit man by temperament. The two temperaments are as opposite as the poles. Look at it in another way, in the way of chemical action. Selling is optimism; that's one element. Credits are pessimism; that's another element. Put even the smallest amount of the second element, pessimism, into a whole lot of optimism, and what do you get? A mixture? No, you get a compound, an entirely new substance.

"For my part, I'm perfectly willing to let my financial department do all the worrying over credits and collections that's to be done around here. We're specialists at worrying. Let the salesmen go! Let 'em sell their heads off, sell their samples and their overcoats, so far as I'm concerned. I'm perfectly content to sit back here at the brake and shut 'er down when the old machine threatens to go through herself.

"The salesmen of this company are out in their territories to sell the goods of this concern, and not its credit. Credit selling is outside their line. That's our business; we're the professional, specializing pessimists. Sometimes, and maybe not without reason, the sales department accuses us of injecting too much pessimism into our own specialty. Maybe they're right—but I remember a case that came up while I was manager of a plant that is now a subsidiary of this company.

"As manager I combined the functions of sales chief and credit man. It was back in the halcyon days of a few years ago when everybody who wasn't promoting a new manufacturing concern of some kind was thinking about promoting one. Charley Burns, one of my salesmen, came in from St. Louis, bursting with news.

" 'Well,' he said, 'I'm in velvet. I can live for the rest of my life on what I did last week.'

" 'How so?' I asked.

" 'You've heard of the J— Company, haven't you?' he said.

"Of course, I had heard of the outfit. Everybody in the trade had heard of it. It was to be a tremendous automobile concern, with a whale of a factory in St. Louis—a regular automotive colossus of the Middle West. It was still in the formative stage.

'WELL,' Charley Burns said, 'I've landed the J— Company account. I've landed 'em for our stuff. And believe me, it's some sweet little account!'

" 'Tell me about it,' I said. Charley went on:

" 'I'd been trailing those J— Company birds for weeks. All the time they'd been telling me they weren't ready to talk about buying parts. But last Wednesday they sent word for me to come and see 'em. I went. I took with me everything I had, except the office furniture. I was set to go over the top and storm the works.

" 'But I didn't need to do any storming. They came to meet me with a white flag. They wanted our stuff. They didn't care a d— about prices. First they talked about frames. They want five thousand to start with; but they're planning on a schedule of twenty-five thousand cars a year. I gave 'em a price on frames. They said, "All right; we're sold." Then they asked about brake drums and step-hangers. I couldn't give 'em a definite price on the quantities they wanted, so they said, "Give us an estimate." I gave 'em an estimate, all right; and believe me, I made it high enough. They said, "All right; we're sold." And that's all there is to it. I've come in for some dope and I'm going back next week and sign 'em up.'

" 'Fine!' I said. 'But who's in this J— Company?'

"Charley reeled off a list of names that sounded like a section out of a financial 'Who's Who.' 'That's the crowd back of the company,' he said.

" 'But,' said I, 'I'm not so much interested in who's back of the company as I am in who's in it. How much money has this J— Company got in the bank?'

"Charley looked indignant. 'How should I know that?' he asked. 'Haven't I told you the names of the men back of this company? Isn't any one of 'em, individually, good for anything the company might buy from us?'

" 'Yes,' I said, 'individually is right. But this J— Company isn't any one of those individuals. It's a new thing, with a new individuality all its own. And personally, Charley, I don't like the look of that new individuality. Maybe I'm a pessimist, but on general principles I'd predict that any concern that starts in business by telling someone, "We don't care a d— about prices; we want your stuff," won't be in business very long.'

"Well, Charley went back to St. Louis, and soon after that our own new company was formed and I was brought down here to sit behind the door marked 'Treasurer.' I sort of lost track of the sales affairs of my original company. It wasn't until last Christmas that I saw Charley Burns again and asked him what had become of the J— Company.

" 'Oh,' he said, 'they blew up. They blew up before they got their factory built.' "

Specialize the business; let the credit department worry over credits and the sales department drive the sales; don't try to merge the two—that is the opinion of one school of thought on this matter of co-operation between credit and sales departments. But the credit manager of a paint manufacturing concern who talked on the subject to me wasn't concerned so much with opinions and schools of thought as with conditions.

"I don't know that all concerns face the same problem," this credit manager said, "but I'd like to have somebody tell me how to make our sales and credit departments work better in double harness. Here's a situation that keeps bobbing up:

"One of our salesmen goes into a town, a small town. He has, say, three customers in the town. To each

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one of them he has been selling three or four hundred dollars' worth of paint at a time. But he's been doing some missionary work with one of those customers and has got him all pepped up to jump into a paint-selling campaign in the spring. Dealer and salesman sit down and together work up a whale of an order of goods, to be shipped some time after the first of the year. Mr. Salesman puts the order in the mails and jumps to the next town. That's when the fun starts.

"The order comes in to the home office. Before it goes out to the factory it comes across my desk. It calls for fifteen or eighteen hundred dollars' worth of paint—for a customer with a credit limit of maybe six hundred. What is the concern to do? We can do one of two or three things; but every one of them will be embarassing and any one of them may lose for us a desirable customer. What I want to know is: How can such a situation be made impossible? If somebody will tell me the cure I'll give him my bonus for this year."

The Lincoln Electric Company, of Cleveland, makes electric motors and electric welders. Its secretary and credit manager is J. W. Meriam. I talked to him about co-operation between sales and credit departments—asked him how he had brought it about in his own company.

"Gee," he said, "I don't know! Whenever I hear credit men talk about 'getting' co-operation from their sales departments they might just as well be speaking a foreign language, so far as I'm concerned. I don't know what they're talking about. I don't know what it means to lack that co-operation.

"I can't tell you why it is that the sales and credit departments of this company always have worked together. We've never done anything to create co-operation and we don't do anything special to keep it alive. It just exists, that's all.

"I wouldn't know how to do my work if I didn't have the help of the salesmen. Just picture our business. We make electric motors. On such a product as that, generally speaking, credits are easy; for the most part, electric motors are sold to big, well-established concerns. But we also make electric welders—and they present a different picture.

"Many of our welders are sold to individuals, men who learned to use electric welders in the service, maybe, or have learned the trade in some shop or factory. They've never been in business before; they have established no credit records. They decide to go into the welding business on their own. They ask us to sell them equipment that, for a single installation, involves a thousand or twelve hundred dollars.

"In such a situation as that, what good is a home office credit man? He has nothing but his books and his records. But the case isn't a book case, at all; it's a case of moral risk, of personality. And who is in a better position to judge that moral risk than is the salesman? How can you size a man up to best advantage—by writing letters to him, or by talking to him personally, looking him over, and maybe talking to persons that know him?

"The answer is so obvious that every one of our salesmen is a self-constituted credit man. He considers that getting the right kind of credit data on a new customer and keeping an eye on the credit limit of an old one is part of his job. He'd no more think of leaving the necessary credit information out of the data that accompanies an order than he'd think of leaving out the customer's name and address.

"If any of our salesmen feel that they're 'burdened' with duties not in the line of their specialty, I've never heard of one of them complaining. And, when you stop to think of it, getting a line on a man's credit isn't a job that calls for a great amount of time and work. A half-way observant salesman can get the information right in the course of his sales talk.

"Suppose, for instance, that the salesman is calling for the first time on a retailer. Say the retailer is a hardware dealer. The salesman, walking in and glancing around the store, can see many things that are pertinent to credit. On the shelves, for instance, he'll see somebody's paints. There's a lead to be reported to the credit man in the home office. In the showcases he'll see somebody's cutlery and some other concern's tools and on the floor he'll see some firm's wringers and another manufacturer's lawn mowers. There are more leads.

"An observant salesman, who knows anything about the line, can get a sidelight on the retailer's business from the very appearance of the merchandise. He can tell, approximately, how long some of the stuff has been on the shelves; he can arrive at an estimate of the dealer's turnover. That, together with a general size-up of the store, will tell the salesman pretty accurately just what sort of merchandiser the retailer is."

"But specifically," I asked, "just what is a salesman to look for?"

Mr. Meriam turned to his desk and brought forth a list of questions. The list was one compiled by William J. Walker, credit manager of the Louisville Food Products Company, of Louisville, Kentucky, and furnished to all salesmen of that concern. "These," said Mr. Meriam, "are some sound suggestions:

" 'First—Who is the manager of the business, and is he a capable man?

" 'Second—What is the policy of the concern in meeting local obligations?

" 'Third—Is it an old-established concern, or a new enterprise?

" 'Fourth—What is its local reputation?

" 'Fifth—Does the concern carry a large or small stock of goods and is the stock in good condition; or would it be subject to depreciation if placed on the market at a forced sale?

" 'Sixth—To what class of trade does the concern cater?

" 'Seventh—Is the concern up-to-date in its methods?

" 'Eighth—What condition, such as crop shortages, strikes and the like, would have an effect upon the business of the concern?

" 'Ninth—From what other manufacturers and wholesalers does the concern buy goods, and on what terms?

" 'Tenth—Taking all matters into consideration, what is your opinion of the concern as a credit risk?' "

Now, with due respect to the man whose views were expounded at the beginning of this article, business

Teamwork

MANY a credit manager, sitting at his desk in the home office of his concern," says Heber Outland, credit manager of the Cleveland Metal Products Company, "has been puzzled by sudden increases in orders from certain localities. In such a case, maybe, he has turned down an order that he would have approved if he had had some means of knowing the local conditions.

"Take the case of Flint, Michigan. Last year we had a sudden increase in the size of orders coming from retailers in Flint. Dealers who had been buying ten oil cook stoves at an order wanted fifty. A conservative credit man, in the dark as to the reason behind those increases, might have held up the orders. But the fact was that Flint was experiencing a building boom—such a boom as Akron, Ohio, experienced at about the same time. The demand for heating plants exceeded the supply. Gas could not be piped rapidly enough to the up-springing houses. Householders, in need of heating equipment, were turning to oil stoves.

"These facts were all known to our salesman on the ground. When he sent in his orders he reported the attendant facts. I approved the orders; and we sold a nice lot of stoves to Flint.

"Some credit men, and a good many sales managers, object to what they call 'burdening' salesmen with credit responsibilities. I can't see any evidence in our business that our salesmen are hampered in their sales work by any burden of credit duties. As a matter of fact, those of our salesmen who have the best collection records are the ones that have the best sales records."

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executives of modern times seem to agree that a salesman should be something of a credit man. There are differences of opinion, it is true, as to the extent to which the salesman should be equipped with credit machinery and held responsible for credit work in his territory.

Fred T. Jones, assistant manager of the Cleveland branch of the H. W. Johns-Manville Company, has been, as he puts it, "on both sides of the fence." He has served as credit manager of the branch office of his company and as president of the Cleveland Association of Credit Men. Now, as assistant manager of the branch, he has charge of sales. Mr. Jones is opposed to "loading up" a salesman with credit responsibilities. Credits and sales, he believes, are separate functions of a business enterprise—functions that cannot be merged by mixtures, but that can be promoted by co-ordination. He minces no words when he identifies what he describes as the three primary causes generally to blame for the absence of that co-ordination:

1—Lack of proper definition of authority. In some organizations, Mr. Jones says, no one knows whether, on a question of credits, the sales department or the credit department is the superior. If a credit department has been set up to pass on credits, Mr. Jones believes, then the credit department should be the supreme credit authority.

2—Failure on the part of some salesmen to appreciate the fundamental principles of the sound granting of credit. This is a cause, Mr. Jones believes, that can be overcome by educating the salesmen.

3—"The personal coldness and lack of diplomacy on the part of many credit men." For this condition, Mr. Jones points out in an article in the *Credit Men's Bulletin*, "the remedy need hardly be mentioned—cultivate your social faculties; learn to catch the salesmen's and the customers' viewpoints."

Another man who has an opinion on Cause 3, as listed by Mr. Jones, is R. E. Hayslett, treasurer of the Hydraulic Steel Company, of Cleveland.

"The trouble," said Mr. Hayslett, "is that we credit men are inclined to become too technical. Perhaps that's natural. Our work is highly specialized. On one side of it, the side of statistics and records and reports, we are dealing with an exact science. We are prone, however, to become so deeply immersed in the scientific side that we forget that our work has another side—a human side. Too much stress upon the technical side, to the neglect of the human side, is bad for us, bad for our relations with our salesmen, and bad for our concerns.

"It's very easy for a credit man to be hard-boiled. The easiest thing he does is to turn down an account. It's not so easy to establish that an account that merely looks doubtful should be allowed. A credit man might brag that he didn't have one one-thousandth of one per cent of losses last year; but with that admission he would reveal himself as a mighty poor credit man. Credit work is constructive. The best credit man, we are coming to realize, is not the one who shows the lowest percentage of bad accounts but the one who, through the exercise of his constructive faculties, guides to the books of his concern the biggest volume of sound business."

Circumstances do more than alter cases; they change business ideas, business policies and business methods. Consider the credit example of the Cleveland Metal Products Company, of Cleveland. Until three or four years ago this Cleveland concern had a handful of salesmen selling the company's oil cook stoves, oil heaters and its cooking utensils to some 1,500 customers. A few of these customers were great oil companies, which bought the stoves in tremendous quantities and marketed them.

IT is difficult to imagine the magnitude of the task that confronted the executives of the Cleveland concern when they assumed the role of distributor to a trade already established. To do it, they first set up a nation-wide selling machine, a machine of branch offices and some 200 branch salesmen. Active accounts on the books increased in number; their number rose into four figures, passed twenty thousand, then thirty, and climbed toward fifty thousand. Credits became a new and bigger problem, a different problem.

"In the field—that's the place to handle credit work," the executives said. A branch credit manager went out to every branch sales office, took up a residence and began functioning. When he went he carried with him the home office credo of credits. One phase of his functioning was missionary work among the salesmen. That missionary work, that educating of salesmen in credit work, is still going on. The education, however, is not merely academic. Salesmen of the company are taught to practice what they learn and they are equipped for that practice.

"Our salesmen combine the two functions of credit men—credits and collections," said Heber Outland, credit manager of the company. "And those two functions, combined, are made just as much a part of every salesman's work as the selling of oil cook stoves and kitchen utensils.

"Consider, first, the matter of credit limits. With our plan it is a rarity for a salesman to oversell a customer's limit. The salesman knows just as much about every one of his customers as does the home office. He knows the condition of that customer's account. He knows exactly what that customer has been buying—knows the customer's past purchases down to a single stove. He knows, in fact, the detailed story of that customer's dealings with the home office, and he knows the story when he calls at the customer's store.

"But the salesman knows something that, we believe, is more important than that. He knows local conditions. He knows what the customer can anticipate in sales. Many a credit manager, sitting at his desk in the home office of his concern, has been puzzled by sudden increases in orders from certain localities. In such a case, maybe, he has turned down an order that he would have approved if he had had some means of knowing the local conditions.

"Take the case of Flint, Michigan. Last year we had a sudden increase in the size of orders coming from retailers in Flint. Dealers who had been buying ten oil cook stoves at an order wanted fifty. A conservative credit man, in the dark as to the reason behind those increases, might have held up the orders. But the fact was that Flint was experiencing a building boom—such a boom as Akron, Ohio, experienced at about the same time. The demand for heating plants exceeded the supply. Gas could not be piped rapidly enough to the up-springing houses. Householders, in need of heating equipment, were turning to oil stoves.

"These facts all were known to our salesman on the ground. When he sent in his orders he reported the attendant facts. I approved the orders; and we sold a nice lot of goods to Flint."

Salesmen of the Cleveland Metal Products Company are graded as to two things: sales and collections. In the eyes of the management of the company the one is as important as the other.

On the first of every month a general letter goes out from all branches, listing all past-due accounts, specifying the amount of each account and revealing the percentage of the number of accounts that has been collected by the responsible salesman. On the same day there goes out to every salesman a list of past-due accounts in his own territory, with the "dangerous" items marked with stars. The salesman carries this list with him, and consults it frequently, as he cruises his territory.

The salesman enters a town. His first assignment is a study of his list of past-due accounts in that town; he calls first on the customers named in that list.

(Continued on page 29)

Number 96-77—Check!

By FRANK LOOMIS BEACH
Auditor Hibernia Commercial and Savings Bank, Portland, Oregon

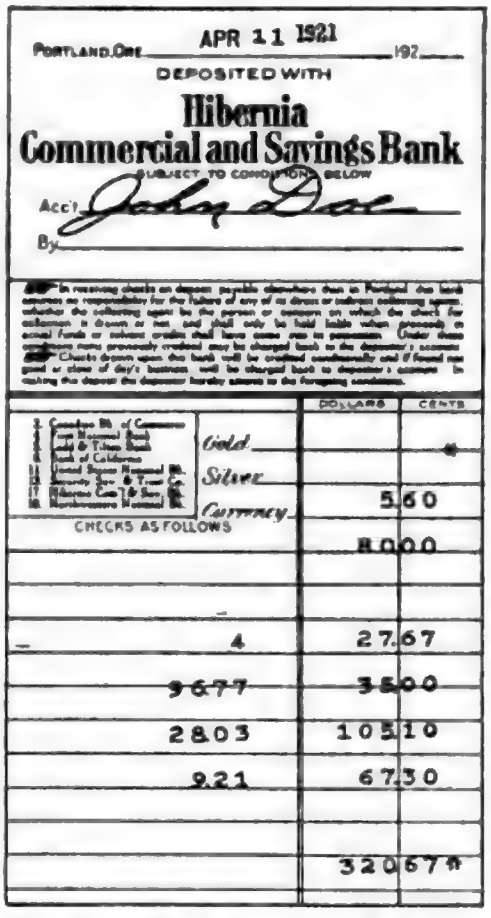
ONE OF THE CHIEF reasons for the popularity of checks as a means of making payments is the convenience with which the business man can convert out-of-town checks into cash at his bank. Think how few payments are made through the exchange of currency, except in retail trade and in pay rolls. In no other country are checks used so generally as in the United States.

To make this interchange possible each bank must maintain what is known as a transit department. Here the checks you have deposited are grouped with other out-of-town checks; then they are forwarded, either directly or through the Federal Reserve system, to a bank in the territory where they are payable. Every day the transit department of a small bank handles scores of such items, while in a larger bank the number will run into many thousands. Speed and accuracy are essential, yet the cost must be held to a minimum if the depositor is to receive satisfactory service with little or no charge.

Without a system for the quick transmitting of these out-of-town checks, business would be materially slowed down. Stores that wish to buy from firms at a distance would otherwise find complications and expenses arising in remitting. It is to the interest of the entire business world that these so-called transit items be handled without error and at a moderate cost.

One of the reasons why transit clerks yearn for the comparative peace and quiet of almost any other department of a bank is the fact that they are involved so frequently in a search to discover what customer deposited some particular check. Behind the wicket your deposit is caught up in a chain of machinery and carried swiftly towards the place of final payment. First, the teller counts the currency and silver you deposit, but if the accompanying checks are numerous he does not keep you or the line waiting; instead he accepts, temporarily, the total on the bottom of your slip.

Every ten or fifteen minutes the checks and deposit slips that have accumulated are collected by a messenger. To each batch a number is assigned; then it is hurried to the interior department for balancing. In the interior department the checks deposited are sorted in some half-dozen groups. In one pile are the checks



PORTLAND, ORE. APR 11 1921 192

DEPOSITED WITH

Hibernia
Commercial and Savings Bank

SUBJECT TO CONDITIONS BELOW

Acct. John Doe

By

	DOLLARS	CENTS
Gold		
Silver		
Currency	5	60
CHECKS AS FOLLOWS	80	00
4	27	67
9677	35	00
2803	105	10
9.21	67	30
	320	67

The numbers in the space under the heading "Checks as Follows" serve to identify the banks on which the checks are drawn. The number to the left of the decimal point represents the district in which the bank is situated and that to the right is the bank's individual number. No district number is required in the first example because the check is drawn on a local bank

on that bank; in another pile the checks on other clearing house banks; in a third pile the checks for out-of-town banks, and so on for the other groups.

The checks in each group are added and the combined totals, plus the cash received, must equal the total of all the deposit slips in the batch. Some twenty or thirty batches may be collected during the day from each teller. Proving in small lots makes it comparatively easy to locate errors, provided the depositors co-operate by listing items correctly on the deposit slip.

If the total of the deposit slips in a batch does not balance with the total of the checks and currency, then the machinery must halt until the difference can be found. If a single check for an odd amount is missing the error usually can be quickly located. But if two checks are gone or have been incorrectly listed, the clerk must identify the checks deposited with the items listed on the deposit slips. If the customers have been careful to itemize their checks by listing the bank number on which each check is drawn, it is not difficult to check off each item until the troublesome ones appear.

Every bank in the country has an individual number—for example, 24-17. The first number represents the city or state and the second identifies the institution. These numbers are printed on checks next to the name of the bank. So in order to identify the institution on which a check is drawn it is not necessary to write the name of the city in full, but merely to show this double number on the deposit slip.

Not only are numbers more convenient than names, from the standpoint of time in writing, but they have an additional advantage in that they can be written with an adding machine; then, too, they eliminate the danger of confusion between banks situated in different cities but having the same name. So in listing your checks on the deposit slips, your bank will be helped and the danger of errors will be lessened if the identifying number printed on the check is shown on the deposit slip.

Not infrequently a depositor will have a customer who claims to have paid a bill with a check of a certain amount. In order to trace the matter down the depositor asks the bank whether such an item has ever been deposited. If the information is on the deposit slip the answer can be easily given. Otherwise there is no record.

As fast as the batches are proved the out-of-town checks are turned over to the transit department. There they are sorted in accordance with the places they are to be sent for collection. When the checks are mailed out they must be accompanied by a letter of transmittal on which, once again, the bank numbers identify the items.

Before the transit clerks leave at night the total of the checks mailed out for collection must balance with the total of the out-of-town checks shown by the various batches.

If these thousands of items are to be handled quickly and correctly, differences must be easily located. Thus the depositor who assists by listing the items deposited not only wins the gratitude of every bank employee from teller to transit clerk, but also promotes his own interests.

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Handshakes Direct By Mail

A New Family in Town; a Clerk's Promotion; the Birth of a Child—Through Personal Letters John Estray Cashes In on All Such Events

By WALT HELLMANN

JOHN ESTRAY, president and guiding hand of Elkins Brothers' clothing store, though well past the fifty mark, carries his years lightly. Folks who do not know his age usually figure him to be about thirty-eight or forty. His ability, talent and progressiveness in conducting his clothing business have won recognition for him not only in his own community, but in the clothing markets as well. He is active in civic affairs, an ex-president of the local Commercial Club, and a leader in several of the town's other commercial and social organizations; his personality is of the friendly, winning kind.

The Elkins store was established fifty years ago by two brothers, Estray's uncles. They were progressive merchants of the old school, and by earnest, conservative efforts had won a respected place in the retail section of Delafield and had built up a volume of patronage that had no equal in the city, or, for that matter, in the state. When they died their property and their business passed into the possession of our friend Estray.

At this stage of the store's history many folks believed that the business had seen its best days; competitors and some of the firm's respected old customers felt that the inexperienced Estray assumed a task beyond his capabilities; they thought the business would soon go down-hill—to the bow-wows.

As things stood, Estray did face a difficult proposition. Owing to a steady increase in the town's population and to improvements in transportation facilities, the center of Delafield's retail shopping district had gradually turned around to a cross street, and thus Estray awoke to the fact that the Elkins store no longer enjoyed the advantageous location of former days. For reasons obvious to him it was no time to move his business to another location on the favored street. His great problem was to keep his store and his merchandise in the public mind and to induce his customers and prospective patrons to travel the added distance beyond the town's main retail thoroughfare to his store to buy their apparel.

Estray had natural talent and soon developed into a good merchant, a keen student of conditions, and a shrewd buyer of merchandise; but his chief strength lay in his unbounded confidence in advertising and in his superior methods of employing this force in solving his big problem.

The store had always used advertising extensively, particularly in the newspapers, and had used it successfully, but when John Estray came into control of the business the advertising activities gathered fresh impetus. To Estray advertising meant something more—in fact, much more—than it means to the average merchant who employs advertising to gain trade. He seemed to sense its power more fully than others, and constantly sought more ways of using it. These facts furnish the background for our story.

URGENT business duties recently called us to Delafield. Before we started we decided that the journey would not be complete without contact with this merchant whose methods have earned a wide reputation in the realm of retail advertising and retail storekeeping.

We were in quest of information—in search of ideas, new ways of doing things—and it was with youthful eagerness and expectation that we opened our conversation with the man. To say it mildly, we did learn a few things.

A detailed resume of our interview with Estray would make worthy material for a book entitled "Hints and Helps for the Aspiring Merchant." To recount the whole story now would be a task too great, so we shall discuss only one of Estray's novel business-getting ideas—the one that made the deepest impression on our minds. This idea was unfolded when we asked the question: "Mr. Estray, what is the most important thing you've done in an advertising way to bring customers to your store in the face of the handicap your store has in the matter of location?"

"Gentlemen," Estray said, after a moment's reflection, "that's a hard question to answer. All of our advertising has that objective, and all of it helps, but there is no denying that one of our methods has been more effective than some of the others in building good will and attracting customers."

He turned in his chair to touch a button and summon Mr. Eastman, the firm's advertising man. After introducing us to this unassuming young man, Estray said: "Bob, bring in the 'praise letters' you've written today."

Eastman returned and with a twinkle in his eye he handed Estray a collection of twenty-five or thirty unfolded letters.

Giving each of us a batch of the letters, Estray said: "Look over a few of these, and then I'll tell you something about them."

We read them all, and here are verbatim copies of a few of them:

Dear Mr. Everett:

Our attention has been called to the fact that through earnest and constant effort you have earned a higher position with The First National Bank.

Congratulations!

Please accept our good wishes for quick success at the cashier's desk, and by the same token we trust you will have many opportunities to exhibit the talent and ability that are yours.

Very cordially,
ELKINS BROTHERS

Dear Mr. Williams:

Through the columns of this morning's Herald we learn that the result of the annual election of officers at the Press Club last night brought you forth as the president of this fine organization for the coming term.

Congratulations!

We are confident you will be an able successor to Mr. Harbison, and we want you to be sure that we wish you a happy and successful term of office in guiding your associates in interesting club endeavors.

Cordially yours,
ELKINS BROTHERS

Dear Mr. & Mrs. Watkins:

Through an acquaintance of yours we have learned today that your home has received the particular attention of "friend stork" and that he has presented you with a sturdy baby boy.

We hasten to congratulate you, and as a memento of the occasion we enclose with this letter a pair of "baby trousers." Preserve them, and when the little fellow is ready for his first pair of "real trousers," bring these to our Boys' Department (4th Floor), and we'll gladly exchange them for the real article—with our compliments.

With best wishes, we remain

Cordially yours,
ELKINS BROTHERS

Dear Mr. Delevan:

A mighty fine act you are putting on at the Bijou this week. Some of the boys from our store saw the show last night, and they mentioned to the writer that you were one of the "bright spots" on the bill.

Most of the folks here are "regulars" at the Bijou, and we are always eager to make the acquaintance of the players who entertain us.

Drop in to see us when you're out for a stroll through town. We're in the clothing business, as the letterhead tells you, but we're not writing just to draw attention to it.

Of course, if you are in need of good

(Continued on page 38)

Addressograph Wins Sales



For These Business Fighters In Spite of "Buyers' Market!"

THEY were ready for this "Buyers' Market!" Frey & Son—fighting wholesale grocers, Baltimore! No line harder hit than theirs. But—

"Since the war—dependable, our Addressograph has been going top speed. By its help, we have maintained our normal volume of sales and look on the Addressograph as a partner in the business."—FREY & SON, Wholesale Grocers, Baltimore.

"Buck up! The sun still shines! Buyers may strike but they won't stop eating." That's the kind of messages Frey & Son's Addressograph has been flashing to their dealers since Fighting Salesmanship replaced pink tea order-takers! Of course Frey dealers bucked up! Shot back orders! So will buyers if you go after them aggressively and frequently, with this $57.50 Ribbon-Print Addressograph. But, "how can you sell 'em if you don't tell 'em"

While others less prepared for the Buyers' Market have been crying for trade, Sherwin-Williams, Fred Mann's North Dakota Store and many more have been WINNING ORDERS with their Addressographs! Witness—

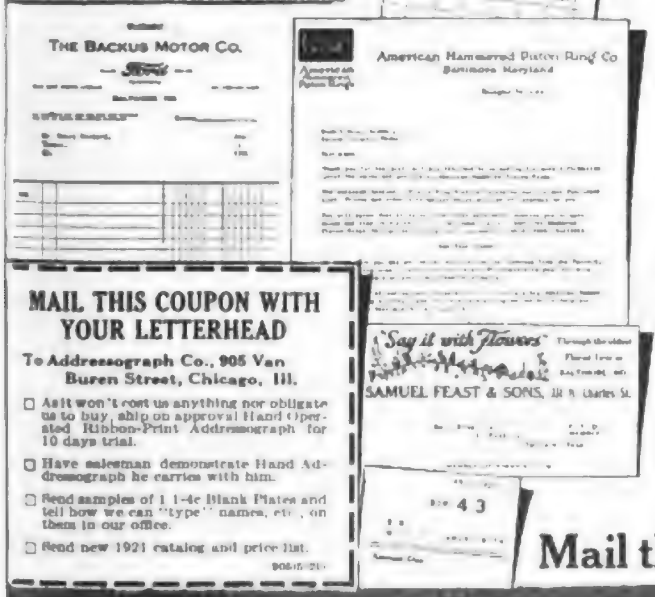
"Our Addressograph has enabled us to continue manufacturing washing machines while other plants have been closed for months."—D. M. COX, Sales Promotion Manager, Gennett Washing Machine Co., Gennett, Iowa.

Business Is Good RIGHT NOW If You Go After It!

"Our business increased 80% last year due to the Direct Mail advertising we did with the Addressograph. This year we expect a great an increase in spite of retrenchment talk everyone."—D. M. ROBINSON'S DEPT. STORE, Alma, Mich.

And If You Want Orders Try It Free Send 30 names and addresses from your ledgers, telephone directory, or Dun's. We'll "type" them on "trial" Addressograph plates in exact typewriter type—and ship them with this $57.50 Ribbon-Print Addressograph. Use it for filling in sales letters—addressing circulars, price lists, etc. If you don't buy, return FREIGHT COLLECT. No obligation. Just good business.

No Other Device Has So Many Different Uses The same Addressograph reduces name-writing costs, errors, and speeds up your collection—payroll—shipping—dividend cost-keeping and other work.



MAIL THIS COUPON WITH YOUR LETTERHEAD

To Addressograph Co., 905 Van Buren Street, Chicago, Ill.

- ☐ Asit won't cost us anything nor obligate us to buy, ship on approval Hand Operated Ribbon-Print Addressograph for 10 days trial.
- ☐ Have salesman demonstrate Hand Addressograph he carries with him.
- ☐ Send samples of 1 1-4c Blank Plates and tell how we can "type" names, etc., on them in our office.
- ☐ Send new 1921 catalog and price list.

905-15-20

United States Sales Offices and Service Stations

Allentown, Pa.	Chicago, Ill.	El Paso, Texas	New Orleans, La.	San Francisco, Calif.
Albany, N. Y.	Cincinnati, Ohio	Grand Rapids, Mich.	New York, N. Y.	Seattle, Wash.
Atlanta, Ga.	Cleveland, Ohio	Houston, Texas	Omaha, Nebr.	Spokane, Wash.
Birmingham, Ala.	Dallas, Texas	Indianapolis, Ind.	Philadelphia, Pa.	St. Louis, Mo.
Baltimore, Md.	Denver, Colo.	Kansas City, Mo.	Pittsburgh, Pa.	St. Paul, Minn.
Boston, Mass.	Des Moines, Iowa	Los Angeles, Calif.	Portland, Oregon	Toledo, Ohio
Buffalo, N. Y.	Detroit, Mich.	Minneapolis, Minn.	Salt Lake City, Utah	Washington, D. C.
Butte, Mont.	Duluth, Minn.	Newark, N. J.		

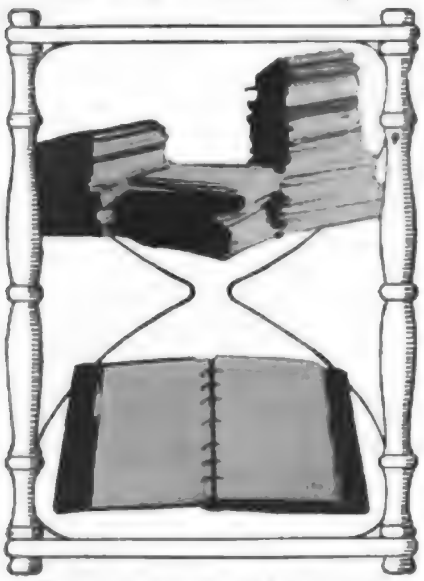
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VERTISING SECTION

Noisy Offices Made Quiet

By F. H. GRISWOLD

ANY business man who works in a noisy office will appreciate the practical value of what the Chicago office of the Western Union Telegraph Company has accomplished by making its quarters virtually soundproof. Where once there was an uninterrupted din that prevented employees from doing their best work and caused them to rush from the office at the close of the day with a sense of relief, there is now little more than a slight murmur like the drone of distant bees. One of the most aggravating causes of inefficiency has been almost, if not quite, eliminated.

This, it should be remembered, is the largest telegraph office in the world. The results of the change are nowhere more conspicuous than in the room where young women receive and transmit messages continuously by telephone. Usually there are about fifty operators; during the rush period there may be as many as 125. They are isolated by no booths, but sit close together, and all are talking.

Yet despite the presence of all the factors that might be expected to cause noise, all that the visitor hears is a low murmur. His first reaction resembles the feeling that comes to a city man, one long accustomed to unceasing noise, when he goes to a quiet spot in the country; the stillness seems for a time to be almost oppressive.

"Are those young women actually telephoning?" he asks; "they seem to be sitting there like mutes; their lips move but utter no sound."

"They certainly are telephoning, and they're hard at it," the guide replies; "just step closer and you'll find out."

The visitor easily verifies the statement. At first there seems to be something supernatural about this comparative silence. It is as if one stepped into the Chicago Board of Trade, saw the brokers wildly gesticulating, saw their lips framing words, and yet heard nothing.

One immediately begins to look around to see how the trick is done. To a person standing within the room the thing is almost baffling, even after it has been explained; one marvels that results so startling could be achieved by a means so simple. Nowhere can the amateur investigator see anything that affords the slightest clue.

The explanation lies in the fact that the ceiling and side walls are deadened, so sound cannot be reflected. It may not be generally known, but what causes the noise in the average office is the reflection of sound—the reflection from ceiling and walls. When sound cannot be reflected from any quarter it is instantly muffled. Experience has proved that it is the ceiling, especially in a low room, that gives back most of the noise. In the muffling operation, therefore, most of the attention was directed at the ceiling.

The ceiling in this room is covered with a layer of felt about two inches thick. The felt is held in place by cloth stretched between strips of wood. An outer cover of cloth is fastened to the lower side of these strips, thus forming an air chamber between the upper and lower layers of cloth. That appears to be about all, except that the cloth must be porous, so the sound can penetrate and lose itself in the felt. The side walls, too, are deadened with felt, but the felt is covered with plaster, hence one can see nothing out of the ordinary. So thoroughly is sound muffled, however, that the clicking of a regulation typewriter three feet away is scarcely audible.

The same method has been installed in the office of a big packing plant—an office in which are two hundred salesmen and more than a hundred typewriters. In this room, too, noise has been almost entirely subdued.

Those who have tried the method say that the chief disadvantage lies in the fact that the cloth collects dirt, thus creating additional work whenever walls and ceiling require redecorating. The cloth must be washed and treated with a specially prepared paint, as ordinary paint might close the pores to the passage of sound. Being chemically treated, the felt does not increase the hazard of fire.

"In our offices the plan has worked well," says Herbert Brown, district commercial superintendent for the Western Union Telegraph Company. "The elimination of noise not only promotes the comfort and welfare of our employees by removing one of the chief cause of nervous strain, but it reduces the danger of misunderstanding words and thus safeguards the transmission of messages."

When All Signs Fail

"What did the efficiency expert have to say?"

"He can't understand it."

"Understand what?"

"How we've made a success of this business. He says his investigations convince him that by the methods we have employed here we should have failed ten years ago."

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Less Brawn, Cheaper Freight

(Continued from page 9)

saving the owners the wages paid to two regular workmen and occasional extra help.

A beet sugar company for years had been spending heavy sums to truck bagged sugar across its warehouse, where it was stacked by twenty-eight men working in two shifts. Some time ago a 200-foot sectional electric conveyor and a portable electric piling machine were put into service. Today two shifts of four men each do the work that once required twenty-eight. The conveyor is so flexible that it can be laid out in any length up to its maximum, not only for moving bagged sugar but also for transporting beet pulp and beet seed directly into motor trucks or railroad cars, thus speeding up the mill and eliminating two or three handlings, not to mention easing the labor of the reduced force of men.

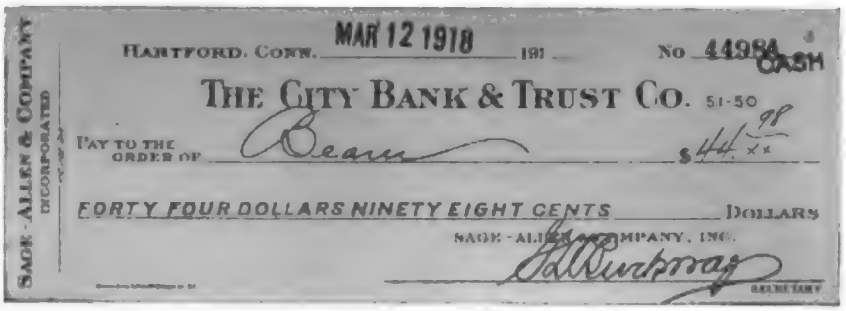
Devices in general use for inside work vary from the rolling types already mentioned to belt conveyors serving to handle vast quantities of small, loose parts within a department or between departments, and heavier conveyors of many sorts used in the assembling of machines or the moving of coal. A novel conveyor is an electric overhead trolley hoist of peculiar type used by the Cleveland Street Railway Company for sorting, counting and wrapping coins and tickets by the million and delivering them to their proper storage. This work was formerly performed by a large clerical force, and results were less accurate.

Armour & Company, at Chicago, are using fifty tractors on the thirty-nine acres comprising the packing plant. Each tractor hauls twelve trailers carrying a total load of six tons over distances varying from ninety to a thousand feet, with an average haul of four hundred feet. One such train operated by one man handles fifty tons a day at a cost so low that each train pays for itself in one year.

This little table shows the results of experiments to determine what can be done by a one-man electric tractor and by one man with a hand truck:

One man handling	Distance ft.	Time in min. Tractor	Truck
Nine bales of hemp	1000	3	54
Six carts of fish	1500	4	90
2000-lb. castings	180	½	30
20 crankshafts	300	1	30
Eight carboys acid	500	1	40
2000 lbs. nails	800	2	21
5000 lbs. baggage	900	3	45

In big factories and small ones electric cranes are doing work that could not be done in any other way. Great castings and entire locomotives are hoisted and carried as easily as a



It "Stumped" the World's Master Forger

THIS genuine check for $44.98, issued by a department store rated "AA1," was potentially worth thousands.

It was mailed to a Brooklyn wallpaper firm whose mail box was looted by confederates of a celebrated forger, head of a gang active for 15 years, and well known to the police, but who has eluded conviction.

The "master-mind" of forgery raised many of these stolen checks, that had been mailed by merchants in various states, to thousands of dollars. Then he tackled this one, applied acid, and changed the Brooklyn firm's name to "Bearer" so skilfully that no trace whatever of the original name and date remained. But he stopped at the two-color "shredded" Protectograph amount line, and realized only the paltry $44.98.

EXACTLY FIFTY ONE DOLLARS SIX CENTS

This is a specimen "shredded" line of the Protectograph Check Writer. Had the check also been written on a PROTOD Forgery-Proof Check, the forger couldn't have changed even the name.

An "ex" master-forger, that the police *did* catch, who is now in State Prison, has exposed some secrets of the trade in a little book called "Scratcher Sends a Warning." We will send it free to responsible executives only. Enclose letterhead or card showing business connection.

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(Enclose your business card or letterhead)



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Paper container has five compartments. Is more accessible than the regular drawer. Operator can reach and pick out what she wants. It is so close that one need not bend the body. Saves from 25% to 50% in office space, which is money.

Write for prices and illustrated folder.

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Here Is What Happens When The "Live Ones" Take Hold

These are the results of installation of a Multicolor Press by the Federal Life Insurance Company of Chicago—

"We operate two Multicolor Presses in connection with our Printing Department. They have proved in every way the most satisfactory, the speediest and most economical."

Did you ever stop to think what a comfort it would be to be able to take care of today's printing needs—*today*? This you can do with the

Multicolor Press

The only flat bed, high speed printing press which perfectly combines the recognized essentials of the printer with the utmost simplicity of operation. It prints from standard equipment: foundry type, monotype, linotype, flat half-tones, electrotypes, etc. Thousands of Multicolor Presses are in successful use. Simple to operate. Hand or automatically fed.



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It will print anything within its capacity. Sheet size, 9½ x14 in.; type page, 8x12 in. It will print one, two or three colors at one operation. It will produce form letters faster and better than you ever saw them done before, either by direct inking through fabric or an inked ribbon, singly, or in combination with other printing.

Let us show you how it will save you money. Send for *booklet.*

"Print it yourself at half the cost"

Lisenby Manufacturing Co.
225 N. Michigan Ave. Chicago

crane lets down a magnet and picks scrap iron out of the dust.

Factory yards are traversed by storage-battery trackless trains, hauling goods between buildings, while locomotive cranes and gantries are constantly in service loading and unloading everything from light boxed goods to awkward scrap and even extending cables to help with the yard switching.

It is all a part of the great American effort to save time, money and labor. Handling material is non-productive at best. It never adds a cent to the intrinsic value of anything. Instead it always adds to the ultimate price. The more that superfluous handling operations can be eliminated, and the more that necessary ones can be speeded up, the lower will be the cost of living to us all.

How Much for Delivery?

In an attempt to learn how much it costs a department store to deliver a package to the home of a customer, the National Retail Dry Goods Association recently sent out a questionaire. The figures given in the replies differ widely and show that department stores are paying all the way from 5½ cents to more than 25 cents a package.

Thirty-three stores, members of the association, were asked how much it cost them. These stores, each of which does a business of more than $1,000,000 annually, gathered their statistics and sent in the results to the bureau of research and information of the association. The result, as shown by the bureau in a chart it has prepared, indicates that for fifteen of the thirty-three stores the cost of delivery per package is 12 to 15 cents. For eight of them the cost is 15 to 18 cents. It costs four stores less than 10 cents to deliver a package, two it costs 10 to 12 cents; two 18 to 25 cents and two more than 25 cents.

The stores included in the list are scattered all over the country from Massachusetts to California, and from Washington to Texas. The statistics show the result of careful accounting and include practically every expense connected with the delivery of the package, such as the package collectors' wages, the shipping departments wages, delivery department wages, freight and express packing supplies, gasoline and oil, electric light, depreciation, repairs, rental charges for space occupied by delivery department, loss and uniforms for employees.

Those stores, however, that show a per package cost of less than 10 cents did not include in their reckoning such items as rental.

Results of the questionaire seem to indicate that it costs a bit more than 12 cents to deliver the parcel that the shopper asks to have delivered.

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Doctor Credit and Mr. Sales

(Continued from page 22)

Now the salesman doesn't walk into the first of those listed stores, flash his list before the startled eyes of the proprietor and conduct himself like a deputy sheriff with a writ of attachment. Just as he is taught to be diplomatic in his approach to a sale, so is he shown how to be diplomatic in his approach to a collection. In his role of credit-man-on-the-ground he opens, usually, with a question.

"Mr. Ladderberry," he inquires casually, "have you mailed your check on that order I sold you in September?"

Never, in his approach, does the salesman so much as intimate that he knows the check has not been mailed. Instead, he confines himself to questions—learns why the check has been held up. Probably he gets a check; records of the company show that salesmen get remittances in eight out of ten collection calls. Probably—and if he gets a check—he sells the retailer another bill of goods.

So the salesman works throughout the day, selling and collecting. At the end of the day he makes up his day's detailed call reports. Every call goes on a separate form; and about one-half the blanks to be filled in on the form have to do with credits and collections. Is the customer's account past due? What is the amount? For how long has it been past due, and why? Did you get a check when you called today, and for how much? These questions, applied to every customer upon whom he has called during the day, the salesman must answer.

To keep him in intimate touch with past-due accounts in his territory, and to augment the information that goes to him in the monthly summary, the branch office sends to every salesman every day a list of checks received from customers in his territory. Thus he is enabled to keep his collection data up to date.

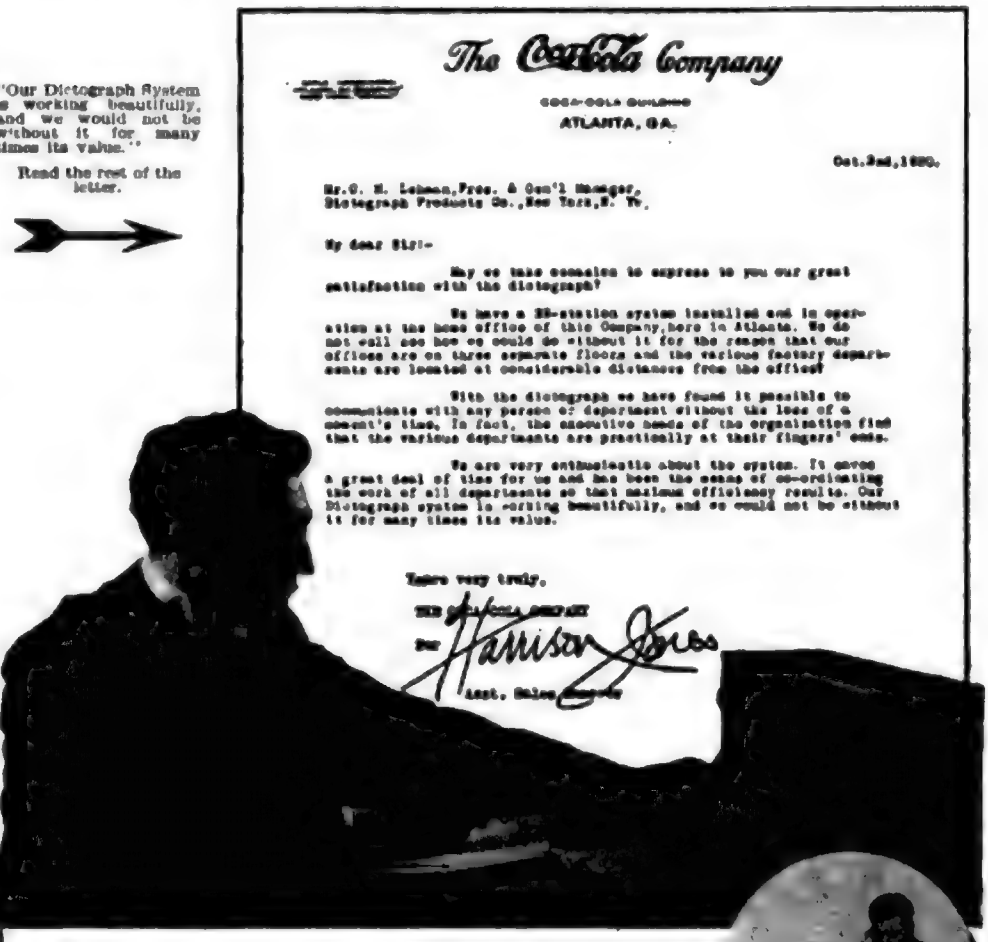
"Dangerous" accounts call for special treatment. Notified that a certain account has become "dangerous," the salesman knows that he is expected to call upon the customer within two weeks. He calls, talks with the customer, gets a remittance perhaps, and mails a report to the branch office. Then he "stands by," waiting for the branch office to reply and possibly send further instructions.

Mr. Outland says that the detailed reports of salesmen on collection matters have revealed to him some interesting things as to the causes for the delayed payment of accounts.

"The oddity of it is," Mr. Outland says, "that in the majority of cases, even with business conditions as they are right now, the cause isn't lack of money. Some of the strangest reasons

"Our Dictograph System is working beautifully, and we would not be without it for many times its value."

Read the rest of the letter.





"Distant Departments at Our Fingers' Tips"

THE Coca-Cola offices are spread over three floors of their large Atlanta building. Each floor crowded with busy departments that transact a tremendous amount of routine business every day.

Without dependable means of inter-communication, it would be impossible for the Coca-Cola organization to function efficiently and profitably.

> The Coca-Cola Company installed a Dictograph System which "..has worked beautifully, and we would not be without it for many times its value." (*Signed*) Harrison Jones, V. P.

The Dictograph System of Interior Telephones provides direct and instantaneous communication between persons and departments, regardless of the distances that separate them, while at the same time, the Dictograph Loud Speaking Master Station affords the executive the **right of way** or **executive control.**

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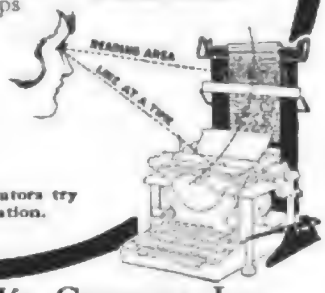
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THE COLYTT LABORATORIES – Dept. "T"
565 W. Washington Street, CHICAGO, ILL.

come to light. A customer will say, for instance, that he's been so blamed busy installing furnaces that he's had to let some of the details of his business slide for a while. Another has been down with the 'flu,' or quarantined in his home because of chicken-pox. If our method of handling collections has taught me anything of value at all, it has been the fact that the reason back of a slow account usually is something entirely foreign to a disability, or even a disinclination, to pay."

Results of the method? I asked Mr. Outland about them.

"Well," he said, "on the purely technical side of credit work I can say that, in contrast with the average loss of one-eighth to one-fourth of one per cent in the hardware trade, our losses last year were less than one one-hundredth of one per cent. That's definite enough and the loss was small enough, I believe, to satisfy the most technical of technical-minded credit men.

"But the technical side isn't the side of credits, as revealed in our business, that interests me. I'm more interested in the human side—in the side that has to do with the relations between the branch office and the field force of salesmen and between our concern and our customers.

"Some credit men, and a good many sales managers, object to what they call 'burdening' salesmen with credit responsibilities. I can't see any evidence in our business that our salesmen are hampered in their sales work by any burden of credit duties. As a matter of fact, those of our salesmen who have the best collection records are the ones that have the best sales records. Throughout the organization there isn't a single exception to the rule that the man who is doing the best job of keeping up his collections is the same chap who is selling the most goods and making the most money.

"The customers, and how do they feel toward us? There's the interesting angle! Almost any collection method, you know, will produce some result. If all that a credit man had to do was to get the money, his job would be easy. But his concern aims to continue in business; it will always need to sell goods; the good will of its customers—some of whom lapse occasionally in their payments and require some sort of action—the good will of these always will be a valuable asset. How can payments be collected and good will insured? That's a question that worries the credit man.

"I don't know that we have found the answer. But this I do know: Of the customers of this concern against whom we find it necessary to force collection, we retain as customers ninety-five per cent."

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The Autocall Company believes that this appalling fire record can be greatly reduced, and to this end has issued a book of interest to every manufacturer, "How to Organize Fire Drills."

This book explains in detail how employees can be trained to act promptly in an emergency; how, through organization, lives can be saved and property damage prevented by instructing workers how to cope with the unexpected blaze.

It has been printed for your benefit and, as the edition is limited, it is suggested that you write today for your copy. It will be mailed without obligation to you.

THE AUTOCALL COMPANY

210 Tucker Avenue Shelby, Ohio

"THE MECHANICAL FINDER OF MEN"

(53)

Conserves Time for Executives

Autocall

Improves Telephone Service

Industrial Fire Alarm and Special Signaling Systems

The Right Shipment but the Wrong Railroad

By JOHN J. JENNINGS

AN acquaintance sends me the following query, the reply to which may interest other business men, since it covers a point that arises frequently. The letter follows:

"Several weeks ago I ordered from a manufacturing company a rather large quantity of goods, which we needed immediately, to be shipped by freight over the X railway, and in their letter of acceptance they stated that they were shipping the goods 'according to your instructions,' the letter says. As the goods did not arrive when they should have, I wired the company and inquired if they had shipped as ordered, and also wired the X railway to trace the shipment. The seller replied that he had shipped according to instructions, and the railway wired that no such shipment had ever been received. Naturally, I concluded that the sellers were 'putting one over on me,' and ordered the same goods elsewhere. Twenty-four hours after I had signed up a brand-new contract with the second party, the Y railway informed me that the goods had arrived, the first seller having shipped by the Y railway instead of the X railway as specified in my order.

"I am bound to accept the second order, and the first seller claims that I am bound to accept his goods, and on the ground that the Y railway was in a position to deliver them as quickly and cheaply as the X railway company specified in my order, and that I have suffered no damage. Kindly let me know if we can be compelled to accept the shipment of goods."

This letter raises a very interesting point, and my correspondent is perfectly safe in refusing to accept the first shipment of goods; the seller has no right of action for the refusal to accept. The law is well settled that in cases of sale where the buyer designates the particular carrier to whom the goods are to be delivered, then the seller cannot make a valid delivery under the contract unless he ships them by the designated railway, from the specified point, and by the specified route, so my correspondent is perfectly safe in refusing to accept the goods.

The rule mentioned above has been laid down by the Courts of Massachusetts, Louisiana, New York, Michigan, Minnesota, Pennsylvania, and Connecticut, and no doubt would be followed in other states when the point arises.

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As Salesmen They're A1 Cooks

(Continued from page 11)

pudding—but the adage and its application both are obvious.

So much for the retailer and his visualized education. Now what of the retailer's customers and their education? Again the method is demonstration and again the demonstrator is the stove-maker's salesman.

The salesman arranges with the retailer for a public exhibition, in the dealer's store, of the science of cookery. Three days of advertising precede the event. The home office supplies the advertising; the salesman, on the ground, supplies the energy. He helps the dealer dress the windows of the store; he gets in touch, perhaps, with the teachers of domestic science in the high school; he deals again, but on a larger scale this time, with the butcher, the grocer and the baker; he sets his stage.

The public demonstration is a three-day affair. Mrs. American Housewife and her neighbors come to the store. They sit in rows of chairs and look on; they ask questions about the stove. They watch a mere man—and a traveling man, at that—bake bread and cake and roast meat and boil vegetables. They see him boil potatoes, whole and cut up and with the skins on and off, in the oven! Yes, sir, boil them for four hours! Can you imagine that!

They come to scoff, do some of these women. Many of them are skeptical. Boil potatoes for four hours? The very idea!

Out in a little town in Iowa a very self-sufficient-looking matron planted herself in a front row chair, right close to the stove, just as a salesman was starting a demonstration.

"I've heard about your boiling potatoes for four hours," she told the salesman, "and I've come to see for myself. I'm going to sit right here and see the soup!"

Sit there she did, until the end of the demonstration; but she saw no potato soup. Instead she saw the workings of an automatic stove, a stove that would cook her dinner while she did her washing on a Monday, or while she ironed on a Tuesday, or visited on a Thursday. At the end of four hours she saw the potatoes come out, whole and firm and cooked; she saw the rest of that "balanced" meal cooked as well as she could have cooked it herself. She tried to buy the stove.

And so it goes for two days. On the third day the demonstrating salesman relinquishes the center of the stage to someone in the dealer's own organization. Usually several eager understudies are ready to volunteer. They can run that stove! Why, anybody



How WINCHESTER Solved the Problems of Sales Records for Retail Stores.

HOW to prevent errors! This is the problem that faces every retail merchant. One forgotten charge may mean the loss of a day's profit. And yet any system for handling these records must be simple, quick, infallible. It must take care of cash sales, C. O. D. sales, charge sales. It must provide for the customer who pays a deposit and returns later for the merchandise. It must handle the cash sale where the goods are to be delivered, or part of the order delivered. It must cover every possible sale.

Such a method has been developed by Mr. M. L. Rogers, in charge of the Sales Service Department of the Winchester Repeating Arms Company. It applies to all retail stores, big or little. It saves time and is error-proof. Let us mail you a copy of this report.

The Winchester Co. selected Standard Registers to use with their systems because of adaptability to their requirements.

Standard Registers Have Opened a New Field for Economy in Business

This register has exclusive features which have revolutionized the use of manifolding devices. The paper has rows of holes in the margins. These holes are engaged by pins on the feed roll. The paper can't slip either way. The Standard Register guarantees perfect registration on one or more colors of printed forms without any adjustments. It is easy to operate. One turn of the handle delivers the sheets—automatically measured—all of them exactly alike in size. No cumbersome mechanism, no springs or wearing parts. It provides an easy, comfortable position for writing.

These features give the Standard Register an efficiency and accuracy never before approached in a manifolding register. No matter how many carbon copies of forms are used, all will be perfect copies, in absolute alignment.

Our Service is Free

If you are interested in the Winchester system for retail stores or in methods that will save expense, reduce overhead, give you better control of different departments and eliminate errors, just indicate on attached coupon the kind of forms in which you are interested and pin coupon to your letterhead. Our Service Department will provide you with samples of forms and suggestions that will aid in accomplishing the results you desire.

The Standard Register Company

66 Albany St., Dayton, Ohio

Standard
Manifolding Systems

See the Holes Kant-Slip

CHECK

PIN TO LETTERHEAD

The Standard Register Co.,
66 Albany St., Dayton, Ohio

Without obligation, send me booklet and samples of forms showing most modern methods of handling items checked below.

- ☐ Winchester Sales Systems
- ☐ Bills of Lading
- ☐ Express Receipts
- ☐ Invoices
- ☐ Shop Orders
- ☐ Purchase Requisitions
- ☐ Receiving Records
- ☐ Delivery Records
- ☐ Sales Records
- ☐ Stock Records
- ☐ Piece Work Records
- ☐ Departmental Orders
- ☐ Repair Orders
- ☐ Special Requirements

Save Your Waste Paper



PRACTICALLY every business house is daily disposing of large quantities of slightly damaged and soiled stationery as waste. Most of your present waste can be conserved and turned into scratch pads through the use of the

Golding Tablet Press

One of your clerks, in a few moments, can produce a quantity of pads. Reduces your stationery bill without robbing you of your waste paper revenue.

The Golding Tablet Press also blocks billheads, noteheads, letterheads and other office forms. Saves its cost in a short time.

Made in Two Sizes

No. 1 holds 2000 sheets any size up to 6 x 12 inches. No. 2 holds 5000 sheets any size up to 8½ x 16 inches. No. 1B is same as No. 1 but complete with bundling blocks. No. 2B also is complete with bundling blocks.

Shipping weight: No. 1, 40 lbs.; No. 2, 65 lbs.

AGENTS WANTED

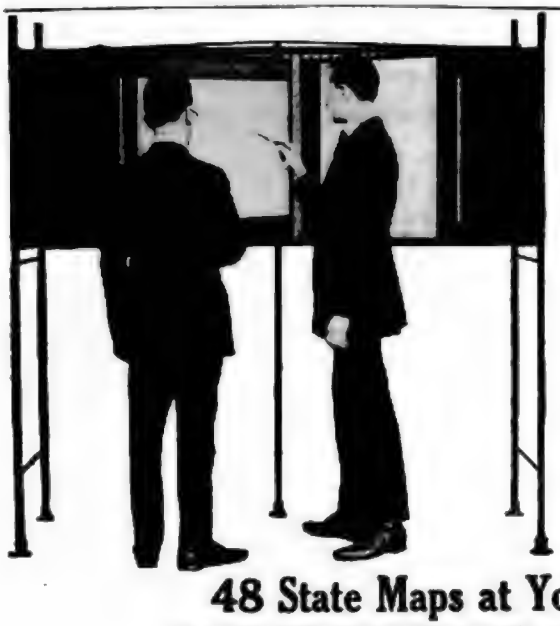
No Experience Needed

The Golding Tablet Press is simply and easily operated, and paper can be padded to any desired thickness by inserting a set of cardboard backs before applying cement to the edges.

Additional Appliances

Write for circular describing complete line of Golding products including Hand Printing Presses, Hand and Power Cutters, Card Cutters, etc.

Golding Manufacturing Company
Franklin, Mass.



MULTIPLEX
MAP FIXTURES

48 State Maps at Your Finger Tips

This MULTIPLEX Map Fixture will keep you in close touch with your sales territory. The whole United States or any state is right before you and the map you want may be instantly found.

There is no stooping or straining because the maps are exactly at the right height for your comfort and convenience.

The MULTIPLEX shown above is equipped with twenty-six wings, size 28 x 28 inches, with maps mounted on map-tack board fillers or without maps.

If your sales territory is now limited, you can start with any number of wings and add more as your territory grows.

Our booklet No. 10 gives details of the above MULTIPLEX and other types. Write for it.

MULTIPLEX DISPLAY FIXTURE CO.
920 North 10th Street ST. LOUIS, MO.

can run it! And anybody can sell i Hasn't George taken orders for fou since yesterday morning? Thus, o the third day, so far as the maker salesman is concerned, the demonstra tion runs itself. And thus, when th three busy days are over, the salesma can say to the dealer:

"Well, you've seen how the thin can be done; you've seen how easy it and how convincing. From now o you can do it yourself. Put on demonstration once a month, if yo like."

There is a phase of salesmanshi that is called service—if, indeed salesmanship is not all service. "Th greatest medium on earth for advertis ing," said the advertising man, "is th human voice. What the maker say about his product is important. Bu what he succeeds in getting othe people to say about it is infinitely mor important." The quality that induc "other people" to say favorable thing about a product is partly an inherer quality that lies in the product an partly an attributed quality that li in the manner in which that produc is sold and made available for use.

Salesmanship may have sold yo your motor car. But it is the servic that is in the car and the service tha is given by the dealer from whom yo bought it that keeps you sold an keeps you bragging to your friend about your car.

Motor car service is common. Bu who ever heard of service on a kitche stove? Every salesman of "Lorain heat-regulated stoves knows abou that sort of service; and he sees to i that every one of his dealer customer knows about it and realizes its possi bilities. No dealer organization sellin stoves, from the gas company in th big city down to the hardware mer chant on Main street in a county seat these stove salesmen tell their custom ers, can be too small or too bus with other things to give persona service on "Lorain" stoves sold t householders.

Again a typical case tells the story A dealer has staged a demonstration He has sold some stoves; he ha recorded the names and addresses o the purchasers. The rush over, hi demonstrator starts out on a house-to house tour. The demonstrator—i this case, say it's a woman—calls a the first home on her list.

"I've called to see if your new stov is satisfactory," the demonstrator tell the housewife.

"Indeed it is satisfactory," is wha the housewife usually says.

But the demonstrator asks to see th stove. She tests it. She inspects th finished products of its heat-regulate oven. She looks to the air mixers Possibly she suggests some new way o

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concocting a meat loaf or some intriguing refinement in the icing of a cake. Then she leaves.

Does the housewife advertise that visit, and does she tell her friends about her new stove? What are telephones for?

"And is that all there is to it?" I asked the sales manager. "Haven't your men even a sales manual?"

He smiled. "Only this," he said. And he handed me his cook book.

Can You Beat It?

The department store management denied it, and vehemently. The store detective himself, when questioned later, denied it, and loudly. The two New York newspapers that printed it admitted that the story couldn't be verified, officially. But both observed that it made a "good yarn," anyway. And here, boiled down, is the story:

A woman—well dressed, of course, for they always are well dressed in stories like this—entered the fur department of a big New York department store and let it be known that she purposed to buy some furs. She selected some, about $5,000 worth.

"Now," she told the department head, "I'd like to take these things home with me in my car, so that my husband can see them. He's an invalid. And, because you don't know me, I'd like to have you send one of your store detectives along."

That seemed fair enough. The furs—$5,000 worth—were loaded into the woman's sedan, along with her and her chauffeur, and a store detective was assigned to go with them. He went.

The car headed for a residence district. But, at a command from the woman, it stopped at the curb before a big, brick building, surrounded by much lawn and a high, iron fence.

"I'd like to stop in here for just a moment and then we'll go on," the woman told the detective.

"Sure," he said, "go ahead. I'm enjoying the ride."

The woman went into the big brick building. What she didn't tell the detective was that the place was an institution for the incarceration of the insane. She went to the office of the superintendent.

"I have my husband out in my car," she told the superintendent. "He has gone suddenly and strangely insane. I want you to send a couple of men out and bring him in."

The superintendent hesitated and referred to "the necessary papers."

"I know," the woman conceded, agitatedly, "but this is an emergency, an extreme case. I haven't had time to get the papers. He may become



"Jim, this machine prints 1000 letters for 20¢"

It's the biggest money-saver in the office. One girl prints all of our form letters, bulletins, price lists and ruled forms. There's a letter with a fac-simile signature—printed completely at one operation, ready to mail to all of our customers an hour after it was dictated. "How's that for quick work?"

ROTOSPEED STENCIL DUPLICATOR

prints anything that can be typewritten, handwritten, drawn or ruled. Any stenographer or office boy can produce 75 good, clear, sharp copies a minute.

1,000 Copies for 20c

Better form letters than you ever thought possible—letters with the clean-cut appearance of neatly typed originals that exactly duplicate the typewriter type, can be printed at the rate of 75 per minute on the Rotospeed.

No Type, Trouble or Muss

The Rotospeed stencil is prepared quickly and easily. No type to set. Typewrite your letters on a sheet of stencil paper. Attach the stencil paper to the Rotospeed and turn the handle. That's all. A child can do it. The Rotospeed has a semi-automatic feed—self-adjusting impression roll, an unlimited head-spacing device and improved receiving tray—all these exclusive advantages, yet it's the simplest stencil duplicator in the world.

Ruled Forms Easily Printed

Ruled forms of all sizes from 3x5 inch cards to 8½x16 inch sheets are printed on the Rotospeed just as easily as form letters and at a cost of a few cents per thousand.

Illustrations and Signatures Quickly Reproduced

Sketches can be copied or traced on the stencil paper and the signature written so that a completely typewritten, illustrated and signed letter will be printed at one operation.

Only One Model Price $43.50 Complete

This machine does everything that a stencil duplicator can do. There are no accessories or higher priced models. The price includes full equipment and sufficient supplies for printing twenty-four different jobs. The saving on this much work alone will pay the entire cost of the Rotospeed.

Free Trial at Our Risk

We offer to place the Rotospeed in your office on trial, completely equipped for all kinds of work and with sufficient supplies for twenty-four different jobs. The machine must sell itself. Write for our proposition and the Rotospeed booklet. Let us show you how others in your line of business are increasing their profits and saving expense the Rotospeed way. Just sign and mail the coupon or pin it to your letterhead.

The Rotospeed Company
840 East Third Street,
DAYTON, OHIO.

will do the work of 50 typists

MAIL NOW

The Rotospeed Co.,
840 East Third St.
Dayton, Ohio.

Please send me booklet, details of your free trial offer and samples of work.

Name

Address

.....



Try One 30 Days FREE

Get it at your dealers or from factory direct

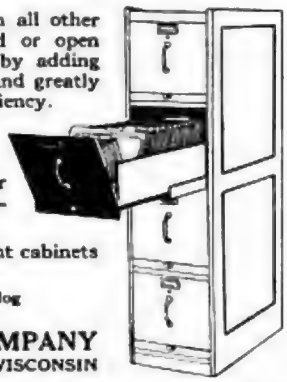
The AUTO-DESK COMPANION

—all that the name implies—you need one at your desk for your daily routine, filing matter, special subject, follow up, personal, private, card index, etc., all within easy arm's reach, instantly accessible.

AUTOMATIC EXPANDING FILES

Note the easy way of filing and finding in the *V Expanded filing space.*

are different than all other files—they expand or open like a book, thereby adding 25% to capacity and greatly enhance filing efficiency.



Wood-Steel Construction

Means a beautiful exterior in Quartered Oak or Mahogany and Steel file drawers with easy rolling progressive extension slides.

Made in all the standard size sectional and upright cabinets and flat top desks.

An immensely interesting line—shown in a new catalog just out—write for No. 22B at once.

THE AUTOMATIC FILE & INDEX COMPANY

Sole Manufacturers **GREEN BAY, WISCONSIN**

An Endorsement by Miss Lotta Miles

THE Kelly-Springfield Tire Co. is one of the many large organizations that have found the Multi-Unit System of Washable National Maps a great help in their sales departments. The system shown here, in the home offices of the Kelly-Springfield Co., has proved completely satisfactory.

The Multi-Unit System enables the Sales Manager to have before him at all times a graphic representation of conditions in every part of his territory. By marking on the maps and by using colored tacks, it is possible to show the daily changes in the situation as it affects salesmen, distributors and dealers.



WASHABLE MAPS

Any marking made on National Maps may be easily erased. The swipe of a sponge or damp cloth, or the use of art gum, leaves the surface of the map perfectly clean and smooth. Ink, crayon or water color paints may be used for marking. Territory divisions may be outlined, sale men's routes indicated, the location of distributors, dealers, customers, prospects, etc., and various other sales data and statistics shown.

This year, when sales work must be more intensive than ever before, a Multi-Unit System will prove a splendid investment by enabling you to get the most efficient work out of your sales organization.

There is a Multi-Unit System for your business whether your territory is one or two states or the entire forty-eight.

Tell us what territory you cover and let us make suggestions for an outfit that will meet your needs. No obligation, of course. In writing, ask for catalog B.

TO MULTI-UNIT USERS

We have just issued a little booklet entitled "Tack Talk." It tells how various firms use colored map tacks in connection with their Multi-Unit System in visualizing their territory, and checking up on their sales campaign. We shall be glad to send you a copy on request.

National Map Company

"Map Makers for 36 Years"

INDIANAPOLIS *Address Dept. B-5, Murphy Bldg., Indianapolis* **NEW YORK**

violent at any moment. I have succeeded in bringing him here on a pretext, and it's a good opportunity to place him where he can't do any harm until I can make the necessary legal arrangements. I want you to bring him in and just detain him until I can get the papers. Please do as I ask. I'm afraid of him. He has the delusion that he is a store detective. You will have to send a couple of strong men to bring him in, for he may resist. But please help me, won't you?"

The superintendent consented. Reinforced by two of his huskiest guards he went out to the car.

One of the guards, in uniform, opened the limousine door and invited the store detective to "come on out."

"Eh?" said the detective.

"Come on out," the guard invited "we want to show you something."

"Nothing doing," the detective said. "not *any!*"

But come out he did. He was dragged out, wild-eyed. He swore, but the guards were complacent. To them it was old stuff. They headed him up the walk toward the big brick building.

"I'm a store detective at So-and-so's," the detective spluttered, and tried to trip one of his captors.

"Sure," said the guard, soothingly, and kicked him on the shin, "sure, we know you are. But we've got Sherlock Holmes and Dr. Watson here, too. They'll be glad to see you."

The three of them went up the walk and into the building, the superintendent following, officially, behind, and the doors closed upon them. But why continue the story? Of course, the woman drove away in the limousine, and she hasn't been seen since. Neither have the furs.

Can you beat it? You can't even tie it!

A Novel Insurance Ad

Three days after the city directory at Peoria, Illinois, was off the press, blotters stating that "The New City Directory is Imperfect, see page 109," appeared all over the city and caused no end of comment.

Persons who responded to the suggestion and turned to page 109 found a half-page advertisement of the John Hancock Life Insurance Company. The ad told why the directory was imperfect: between the time the presses began to run off the pages and the time the book was delivered to the public many of those whose names appeared therein had passed away.

Then came the reminder that the John Hancock Company was at that time helping to provide for some of those widows and children.

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GET DOWN TO CASES

What make-believe still remains in the general business situation is being rapidly squeezed out. Many of the practices that grew up in the days of palms and roses have been unable to justify themselves since the drought came. Men are going back to the proven methods that may involve more work and real plugging, but that have the quality of productiveness.

Many a business man, getting down to cases, has found conditions in his own organization that would account for a lot of his troubles. Easy times have had their usual results in carelessness, failure to plan carefully, and to follow through systematically.

In some instances the executive has discovered that his organization needs in it more of his own personality—and courage—on the good old theory that every successful business gets most of its good points from the individuality of its strongest man.

Whatever may be the condition in general business, or in your own business or department, the facts are that there is today both opportunity and necessity for you to get down to cases—*to break into the game and make things go* the way they should.

Old Time Selling

Business will revive the selling methods that produced results in former times when markets had to be *built* and every order came only after a fight.

The habit of waiting for inquiries will be abandoned in favor of methods that will produce them. The maintenance of the interest of present customers and the development of new prospects, will become the big issues. The stimulation of the enthusiasm and initiative of the sales force will be recognized as absolutely necessary.

The salesman will be given help and encouragement, not only by regular and sensible bulletins that will give him ideas and facts, but also by the folders and bulletins sent to his customers and prospects. These are of immense value in times when it takes work to make sales, not only for the good impressions made on the buyer, but also because they show the salesman that his house is right behind him.

The Multigraph fits into the needs of the times. As an agency for the rapid productions of the letters and printing that are necessary to well-balanced selling activity, it stands in its own class. It is not a make-shift or a substitute, but a worth-while and wholly practical mechanism for use in connection with every sort of sales stimulant, inside or out.

Today it is printing house publications, folders, letters to branches, salesmen and customers, bulletins, price lists and the like—printing every job rapidly, economically, and confidentially. *It serves over 300 separate and distinct lines of business, and is used in every civilized country in the world,* for the promotion of sales and the stimulation of sales force.

"How to Sell in a Buyer's Market"

Some suggestions as to how to handle the situation in times like these, consideration of the salient factors in present sales operations; suggestions as to how to get better values from your sales promotion money, these and other interesting and fundamental matters are discussed in a new booklet with the above title. Send for your copy now. Write, telephone, or use the coupon.

THE AMERICAN MULTIGRAPH SALES CO., Cleveland, Ohio, *Offices in Principal Cities*

THE INTERNATIONAL MULTIGRAPH CO., (Britain) Ltd., 15-16 Holborn Viaduct, *London, E. C. 1* **THE INTERNATIONAL MULTIGRAPH CO., *Paris*, 24 Boulevard des Capucines** **THE MULTIGRAPH SALES CO., Ltd., 84-88 Bay St., Toronto, Canada**

SELL WITH THE MULTIGRAPH

FILL IN AND MAIL THIS COUPON NOW! The Multigraph, 1798 E. 40th St., Cleveland, Ohio—Send me, without obligation, the free booklet, "How to Sell in a Buyers' Market," and full information about the Multigraph. I am interested in the Multigraph for printing the various items checked below.

Manufacturing Department
- ___Shop Forms
- ___Time Cards
- ___Delivery Slips
- ___Shipping Notices
- ___Special Notices

Sales Department
- ___House Organs
- ___Mailing Cards
- ___Envelope Enclosures
- ___Bulletins
- ___Stickers
- ___Tags
- ___Wrappers
- ___Labels
- ___Dodgers
- ___Booklets
- ___Folders
- ___Form Letters
- ___Circulars
- ___Bulletins
- ___Order Blanks

Office and Administrative Departments
- ___Letterheads
- ___Envelopes
- ___Invoices
- ___Statements
- ___Collection Letters
- ___Office Forms
- ___Post Cards
- ___Memo Pads
- ___Blotters
- ___Notices
- ___Price Lists
- ___Imprinting
- ___Post Cards
- ___Sales Letters

Firm_____ Our Line is_____

Name_____ Official Position_____

Street Address_____

Town_____ State_____ Busi.-Mag

Multigraphs Like New
AT ONE-HALF COST



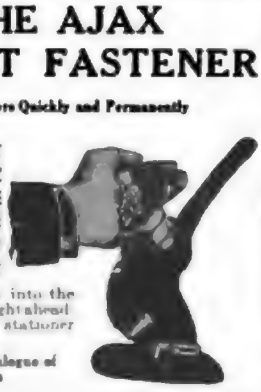
ALL models. Prices range from $130 up. Guaranteed to produce finest quality of work or money refunded in full. Guaranteed for two years, during which time we will replace free any part (except type) that wears or breaks. If machine is not satisfactory in every way will exchange without charge. Every machine has brand new complete type equipment, new platen, etc., insuring perfect work. Hundreds of satisfied users throughout the country. Operating instructions furnished. Machines shipped complete with all necessary supplies, ready to run. Send for price list 101.

REBUILT MULTIGRAPH EXCHANGE
Lincoln Building — Philadelphia, Pa.

THE AJAX EYELET FASTENER

Binds Papers Quickly and Permanently

It Saves Time by Punching the Hole, Feeding the Eyelet and Clinching It in One Operation.



Drop the eyelets into the magazine and go right ahead. Order from your stationer or direct.

Write for our catalogue of office tools

MACHINE APPLIANCE CORPORATION
351-353 Jay Street — Brooklyn, N.Y.

THE BABY TYPEWRITER STAND

$6.50 F.O.B. DETROIT

SAVES SPACE and TIME



A strong, well-built Stand, five-ply oak, veneered top. Will last a lifetime. Easy to move about. Suitable for small office and home use.

Write for our proposition

Auto Parts Mfg. Co.
1817 Trombly Ave.
Detroit, Mich.

Better Work in Less Time



THE BYRON TYPEWRITER CABINET is the most remarkable time-saver and efficiency promoter ever introduced to office workers. By keeping stationery, envelopes, special forms, carbons, etc., in separate, easily accessible compartments, it saves the time of both the stenographer and the dictator. In the saving of time alone the BYRON TYPEWRITER CABINET pays for itself many times over.

Model 100-A Byron Typewriter Cabinet

The popular Model 100-A Byron, illustrated at the left, is the ideal desk for those offices in which stenographers must combine clerical work with their stenographic duties. Simply push the typewriter all the way back and you have a roomy table more comfortable and convenient than a table of standard height.

Model 100-A
42x29 1/2 inches when open. 30 inches wide, closed. Made in quarter-sawed oak, and mahogany.

WRITE FOR FURTHER INFORMATION AND DESCRIPTIONS OF OTHER BYRON MODELS

Byron Typewriter Cabinet Co.
1348 32nd Street — LOUISVILLE, KY.

Handshakes Direct By Mai

(Continued from page 24)

apparel, we want to serve you. We have the kind of merchandise that men like you prefer—quality goods, as attractive and correct as anything you'll see on the "Gay White Way."

But whether you are in quest of clothes or not, come in for a little visit. We'll always be glad to see you.

Cordially yours,
ELKINS BROTHERS

Dear Mr. Hastings:

Welcome to Delafield!

We have just learned of your arrival in the city and of your intentions to make your home here.

We are pleased to number you among our citizens, and we are quite sure you will like our city, its people and its institutions.

You see from the letterhead that we are in the clothing business. But after you've been in town a while you will learn that we are something more than a clothing store:

An institution of service—
A store accommodating—
An asset to Delafield.

When opportunity affords, come in for a friendly visit. We'll be glad to meet you.

Cordially yours,
ELKINS BROTHERS

As we read these letters we quickly sensed their motive, their objective, and we observed, too, that only a few of them referred to the store and its merchandise. In fact, only two of the letters were infused with direct selling talk.

Estray seemed to be reading our thoughts; at any rate he anticipated our next question.

"Friends," he continued, "most of those letters were prompted by simple news items that appeared in this morning's newspapers. Mr. Eastman here, with the assistance of his stenographer, searches the columns of the daily newspapers every morning and every evening for references to persons who have done something or achieved something deserving of a letter of praise, congratulation, or invitation—persons like those who are going to receive the letters you just read.

"Mr. Eastman has about eighty-five different form letters in a file in his office ready to use in the writing of letters of this type, and as we go along in this work we are constantly developing new forms to provide appropriate text matter for the many special letters occasioned by the new incidents not already provided for in the index.

"Any event that comes to our attention through the newspapers and that thrusts fame or favor on some of Delafield's citizens affords an 'excuse,' we may say, for writing such letters.

"We even go farther than the newspapers in seeking these so-called 'excuses.' For instance, Eastman calls on the managers of three or four of our local theaters every Monday morning and picks up the names of the actors

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who are showing in town for the current week—and gets their hotel addresses, too, whenever possible—and when he gets back to the store he promptly writes a letter to these players inviting them to come to our store and to get acquainted with our merchandise. Among the letters you just read you probably noticed one addressed to a vaudeville performer who is engaged at the Bijou Theater this week."

We were listening with keen attention, and Estray evidently realized that we wanted to hear the whole of the story about these letters. He took a boyish delight in relating it.

Continuing, he said: "Really, it is interesting and fascinating to contemplate the amount of ground we cover with these letters. I sometimes wish I knew exactly how many letters of this kind we have mailed out in the last twelve or fifteen years. The number surely runs up into many thousands."

He reached over to his desk and took a long white sheet from a drawer. Turning to us again he said: "This is an index of the titles of letter subjects for each of which Mr. Eastman has a letter in his files ready to use when the proper occasions or 'excuses' present themselves. If you are interested at all I know you will want to see the number and variety of letter titles which the list covers. Just listen to some of the 'excuses' we have 'invented' since we developed this system of letter-writing. I'll pick out a few at random:

Letter to newly appointed police officers.
Letter to new men in fire department.
Letter to newly elected presidents of clubs.
Letter to newly elected minor officers of clubs.
Letter to retiring club presidents.
Letter to new citizens.
Letter to citizens leaving city permanently.
Letter to high school graduates.
Letter to grammar school graduates.
Letter to medical college graduates.
Letter to theological college graduates.
Letter to technical school graduates.
Letter to parents of new-born boys.
Letter to parents of new-born girls.
Letter to captains of school football teams.
Letter to captains of school baseball teams.
Letter to manager of the Delafield Baseball Club.
Letter to captain of the Delafield Baseball Club.
Letter to heroes—Police Department.
Letter to heroes—Fire Department.
Letter to heroes—General.
Letter to political office appointees.
Letter to promoted employees.
Letter to managers of theaters.
Letter to winners of school debates.
Letter to members of grand jury.
Letter to students leaving city for schools.
Letter to students home for the holidays.

"And that, gentlemen," Estray added, "is only a fraction of our list," as

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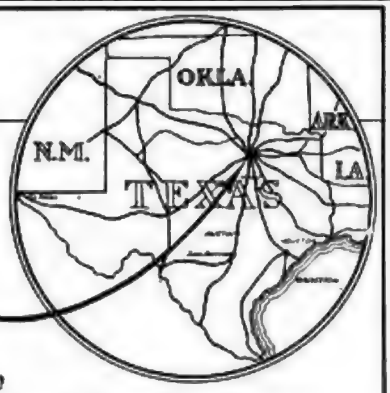
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VERTISING SECTION

he held up the sheet in his hand for ou inspection. We could see that th column of titles was no short one!

Estray went on: "Of course, realize that this plan of getting busines has its limitations. It probabl wouldn't have much value in a cit larger than Delafield, and I must ad mit I'm afraid it won't be long befor Delafield's population will be too larg to justify this work, but I hope th day will be delayed at least a littl I've often thought over the matte and I've concluded that any liv merchant in a town of less than thre hundred thousand population ca adopt this plan as a part of his advertis ing efforts and employ it to big advan tage."

"What do you do with all thes names you take out of the news papers," we inquired.

"Inside of twenty-four hours the are on our general mailing list. An we don't lose them there, either. The become the regular recipients of a our direct-by-mail literature—season form letters, folders, style books an the like. We don't like to light th fire and then let it take care of itsel We keep on adding fuel, and as a resu we get what we are in business for- better old customers, and more ne customers."

As we passed through the main floo of the Elkins store on our way to th street the ability and personality o John Estray were reflected in somethin more than the well-ordered store an carefully arranged stocks of merchan dise. Alert salesmen were servin customers, not a customer waiting her and one there, but rather, thirty o more—a surprising number for a otherwise dull Thursday afternoo We knew that these good folks ha in some way or other come into con tact with the fine mind that directe the destiny and welfare of this pr gressive retail institution. And a we peered into the faces of some o Delafield's citizens, later that day, w were tempted to inquire if and und what circumstances they had receive "praise letters" from the Elkins stor

The World by the Tail

E. B. Heller, of St. Louis, for years prominent figure in the councils of th Retail Credit Men's National Associ tion, used to be an insurance agen He tells a story of an acquaintance o his, an insurance adjuster, with whom he often came into professional contac

"I've never seen a more versati man," Mr. Heller says. "The two o us would go out to adjust a fire loss some retail store. Maybe it was drug store. We'd go into the pla and this many-sided adjuster wou nose around among the shelves and th

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bottles and the smelly chemicals, just sort of casually.

"Then he'd say to the proprietor, 'What does the salvage amount to—what's left? Let's get that settled first.'

"The proprietor, quite naturally, would be decidedly bearish. 'The stuff isn't worth eight hundred dollars,' he'd say.

" 'Would you sell it for eight hundred?' my adjuster friend would ask.

" 'Sure I would,' the proprietor would say.

" 'All right,' my friend would say, hauling out his check-book, 'I'll just take it off your hands for eight hundred. Here's my check. Now *that*'s settled. Next, what's your loss?'

"Usually, of course, the store proprietor was dumbfounded. 'But,' he would demand, 'what are *you* going to do with this stock of drugs? You're no druggist.'

" 'No,' my friend would say, 'I'm not a druggist now, but I used to be—passed the examination in Illinois. I'll sell this stock.'

"Next, perhaps, we'd go into a furniture store, or a grocery store or a retail clothing establishment that had had a fire. My friend the adjuster would nose around the stock, and ask, 'Well, what's it worth.' Then he'd buy it. Later, he'd sell the stuff at a profit. It never seemed to make any difference what sort of store it was. He'd been a druggist and a grocer and a furniture dealer and a clothier—and I don't know what else.

"I asked him one day, 'How in the world did you ever happen to get into the insurance business?'

" 'Well,' he said, 'you see I began my business career in a little town over in Illinois. I always was a bit ambitious, I guess; always wanted to acquire interests in things. So I decided, at a certain stage of my small-town career, to take on insurance. I didn't know the scientific way to go about it, so I adopted the most direct way. I sat down and wrote a letter to the main offices of a big insurance company and asked them to give me an agency in my town.

" 'Before complying, the company proceeded to look me up. The town was pretty small, and evidently they didn't know any individual references there. So they addressed their inquiries, respectively, to "The Leading Banker." "The Leading Hardware Dealer," "The Leading Grocer" and "The President of the Chamber of Commerce." I got the agency.'

" 'Well,' I said, 'you must have stood well in the community to have all those men endorse you.'

" 'No,' he said, 'it wasn't exactly that. You see, I got all the inquiries.' "

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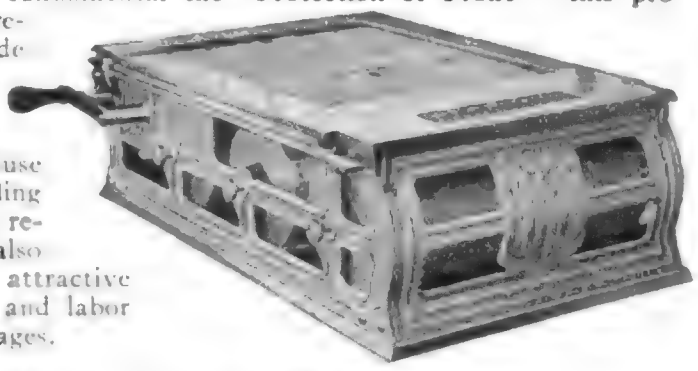
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Fore!

It happened in a New York department store.

"Young man," said a severe-looking woman shopper to a salesman in the rug department, "I want to look at some moderately priced, plain rugs. But I don't want anything with a pattern in it. Understand? I *don't want* anything with a pattern in it."

"But," the salesman objected, "I doubt if I can show you anything in a plain rug. However, we have some excellent numbers on sale just now that have a very small, circular pattern in the center. Couldn't I show you some of those?"

"No," said the woman, firmly, "that's just what I don't want—something with a small pattern in the center. My husband plays golf. We've had some rugs with those small, circular patterns in the center. He uses them as practice greens. He calls the pattern the 'cup.' And he's worn out three rugs since Thanksgiving. I want *plain* rugs!"

The Wretch!

A certain Loop hotel in Chicago has girl operators in its elevators. Now there isn't any aesthetic reason in the world why those particular girl operators should try to improve upon the beauty that nature has given them. But—well, you know women.

Most of the elevator girls in this particular hotel achieve artistic results. But occasionally one of them puts it on in the dark, or something, and the result is startling.

One day there hung in one of the cars a warning sign that read, "Fresh Paint."

A salesman of the traveling kind stepped into the car. He glanced at the sign, then at the chauffeuse and mildly inquired:

"Does the sign refer to the car or the operator?"

"Fresh!" said the goddess of the levers.

"Yes," said the salesman, "so the sign says. Eleven, please."

No Belt Line

There's an elevator operator in the Marquette Building in Chicago who is destined to rise immeasurably higher than the sixteenth and top floor of his building.

Not long ago he was going up with a crowded car and had reached about the seventh floor when an excitable woman near the rear wall exclaimed:

"Oh, you've passed the fifth floor, and I wanted to get off there!"

"Stay where you are, madam," the operator advised her, soothingly, "we're coming back by the same route."

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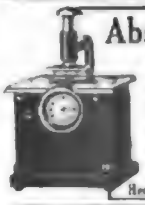
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Bill Andrews' Telegram File

By M. L. HAYWARD

BILL ANDREWS, sales manager of the Acme Distributing Company, was a "character," ie salesmen agreed, and his telegrams the men on the road—Bill never othered about writing letters—were oice examples of his peculiar ethods.

I never knew Bill personally, as he id left the Acme concern before I me in, but a careful examination of s telegram file has enabled me to construct his personality to a certain egree, just as scientists claim that, ven a single bone, they can reconruct the entire animal of which it rmed a part.

One outstanding feature of Bill's ethods as revealed in his carbon remains," showed that he was a pretty ee critic, one who never failed to oint out to each particular salesman is own particular weakness. Never nce, however, did he do so in a telegram devoted to that purpose alone; e always tacked his criticism to something else as a sort of carrier, thus removing the sting of the criticism rithout sacrificing its force.

For instance, when Eddie Hanson vas "covering" the western territory, e shared his room in an Omaha hotel rith a man who was developing symptoms of smallpox, and the health uthorities put him in quarantine for he customary fifteen days.

"Might be worse. Might have it ourself," Andrews wired back. "Must e tiresome, but can use spare time hinking about territory and planning uture work. Have you been doing nough of that lately?"

Andrews was a critic all right, but ever once did he degenerate into a nere fault-finder, and when a salesman vas held up by circumstances actually eyond his control he could always ely on the "boss" to appreciate the ituation.

One telegram especially will illustrate this point. "Hen" Saunders was raveling by automobile and wired Andrews that a gasoline tank had xploded in the town he was "doing," wrecking the business section before "Hen" had taken a single order.

"Harmondale next stop on your map," Andrews wired in reply. "Is here gasoline enough left in your tank r anywhere in town to run you up here?"

Another feature that appealed to me was the range of Andrews' practical knowledge. I don't know where he got his information, but no matter what a salesman reported, Andrews always shot back a definite reply.

"Don't pay. Employ local lawyer and fight. Salesman taking orders isn't a peddler within meaning of law. Peddler only applies to party carrying goods, selling and delivering at same time." That is what he wired a salesman who had been held up in a southern city until he had taken out a "peddler's" license.

Andrews always kept track of his men by the orthodox methods—maps, time-tables, and the like—plus some original and disconcerting schemes of his own. Apparently he subscribed for all the local papers printed in the towns visited by his men, if one may judge from the following paragraph tacked on a certain telegram:

"Your expense account shows hotel Lakemount night tenth. According Star you attended Masonic ball Carson same evening. Distance Lakemount Carson thirty miles."

Matters like this Andrews always "put up" to the men on the road when the thing was fresh.

"A stale business detail is about as valuable as a stale glass of beer or a week old murder," I culled from another telegram, and Andrews would have sent the telegram calling attention to the discrepancy in the expense account even if the salesman had been due to leave Carson for home the same day.

On the other hand, though he insisted on calling attention to these matters while they were red hot, he also insisted that the salesman save his explanation until he could report personally, except in urgent and special cases.

"Save explanation till return and think over on way back. You can have better one by that time," was one characteristic reply.

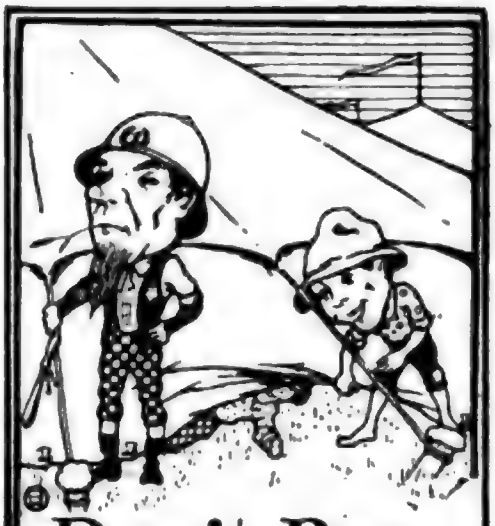
The double personality salesman who had been in Lakemount and Carson the same evening disregarded this rule and wired back what looked like a plausible but anxious defense.

"Did you have a pleasant partner at Masonic ball?" was all the comfort he got out of Andrews' reply. And that reply, by the way, went "collect."

He had a characteristic method of dealing with the occasional and disgruntled salesman who attempted to go over Andrews' head and appeal to the general manager.

"Your telegram referred me by general manager. Will report your next mistake to same party," was the form telegram he used on all such occasions. In a majority of cases the offenders took the lesson to heart.

"Realize mistake. Apologize. Just been counting my mistakes you didn't



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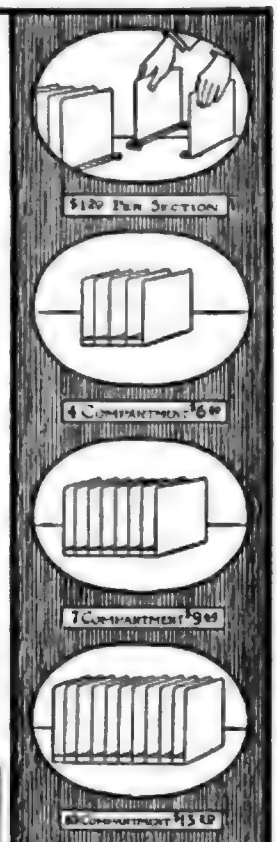
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¶ There is an interesting story behind the founding of BUSINESS and the methods used in building and maintaining its mailing list. We shall be glad to tell it to concerns or individuals interested in broadening a market among the business men of the country.

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The cost is neglible, the worth inestimable. Don't pass this opportunity before you see exactly what the service is.

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report. Total appalling," one sales man wired.

Salesmen on the road who requested Andrews to do favors outside his regular duties were dealt with generously and justly or turned down, according to the circumstances of each particular case.

"Just came from hospital. Saw head physician. Boy stood operation fine. Will keep you informed." Thus did he wire an anxious father in New Orleans.

Another brilliant but temperamental salesman who wired Andrews to pay his lodge dues was told to "Send the secretary your check. Presume mail still in operation."

Was Andrews a hard taskmaster? A bit of a cynic? A careful perusal of his file might lead one to this conclusion, were it not for the last telegram in the file, sent to every man on the road when Andrews hurriedly packed his grip and jumped to the new job in San Francisco.

"Good-bye, old man, and God bless you," it ran.

Did the men appreciate Andrews? Was he that rare combination, a joy to his superiors and a hero to his subordinates?

He surely was. I know, for I'm trying to fill his place.

Best Months for Business

Do you know in what months of the year the most work is accomplished? The following figures prepared by Paul Clay, the well-known economist, for *Forbes Magazine*, are the approximate shares of percentages of the whole year's work done in each month of the year; and all the figures of course are estimates based upon incomplete returns. For example, the 7.51 at the top of the left-hand column means that about this percentage of the total manufacturing work of the year is done in January:

Month	Mfg. %	Transportation %	Farming %	All Work %
January	7.51	7.83	2.80	6.0
February	6.69	7.84	3.70	6.0
March	8.38	8.33	6.80	7.8
April	7.60	8.37	10.40	8.7
May	8.41	8.30	12.60	10.0
June	8.52	8.60	13.10	10.0
July	7.68	8.04	11.30	9.0
August	7.39	8.53	8.90	8.2
September	8.73	8.98	9.80	9.1
October	7.58	9.42	9.90	8.9
November	7.78	8.79	7.10	7.8
December	9.29	8.47	3.60	7.1

"Each of these columns," Mr. Clay explains, "should total 100, but they do not do so because of the incompleteness of the figures upon which they were based. However, they roughly tell the important truths of the situation."

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Will they still be dreams a year from now?

HOW long can you afford to wait to cash in on your dreams? The days are flying and you want so many things that are clear out of reach right now. Pick out the one thing you want most and figure out how much increased income you will need to get it.

The chances are good that you can have it THIS YEAR if you go about it the right way.

The first thing you must do is to acquire a working knowledge of the laws upon which all business success is founded. The next thing is to learn to apply those laws to *every* business problem.

In other words, you must know how to analyze *every* business operation in terms of *net profit*—because that is the one fundamental rock upon which every successful business and every executive success is founded.

Accounting is the science which deals with the analysis and control of net profit and teaches you how to ferret out waste, incompetence, extravagance, and underproduction in every department of business. Is it surprising that men trained in the systematic analysis and control of net profits are eagerly sought and paid unusual incomes?

Perhaps you think of an accountant as a sort of a super-bookkeeper. *Get that idea out of your mind forever.* Accounting is a science—*and the highest paid science in the world.* You can master that science right at home—by mail and in your spare time.

From the very start you will be under the personal guidance of the largest active faculty of Certified Public Accountants connected with any educational institution. There are no books—all lessons are loose-leaf and all instruction is strictly individual.

No matter what your present position may be you will be amazed to find how definitely you can apply this knowledge to your daily work. Your reasoning power of business analysis will be strengthened and improved right from the start.

Then when you have finished the training in General Accounting you have your choice of Post Graduate Coaching through specialized groups of advanced, intensive, highly practical lessons—enabling you to concentrate at no additonal cost—on any special branch of Accounting you may select.

At all times you have the privilege of consultation with our faculty on any of your own business problems. Many write us that this one feature alone has been worth many times the whole cost of the course.

When you have finished you will have a priceless asset that no man can ever take away from you and which always has a ready market—a technically trained mind. If you choose to practice the profession of accounting in any of its branches you will find that the business world is insistently demanding men with just your training. The field is big and constantly growing. The work is fascinating, profitable and dignified.

And don't forget that accounting has opened the gates of fortune to thousands of men who have never practiced it as a profession. You would be amazed to know how many of the business leaders of America are highly trained in accounting. No matter what your ambitions may be—no matter what business position you now occupy—accounting will surely help you to the goal of your desires.

You've been looking for an opportunity. There's a golden one in your hands right now. What are you going to do with it? If you pass it up your dreams will probably stay just dreams. If you'll spend the next sixty seconds in filling out the coupon below it may easily be the turn in the road that leads to the realization of all your ambitions.

International Accountants Society

(INCORPORATED)

"The Professional School of Accounting"

2626 South Michigan Avenue **Chicago, Illinois**

International Accountants Society, Inc., Dept. 44 2626 S. Michigan Ave., Chicago, Ill.

Gentlemen: I am interested in your advanced accounting courses. Please send me complete information on subjects checked.

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- ☐ Credits and Credit Administration
- ☐ C. P. A. Coaching
- ☐ Systematizing and Cost Accounting
- ☐ Internal (Executive) Auditing
- ☐ Income Tax
- ☐ External (Public) Auditing
- ☐ Applied Business Statistics

Name..... Street Address.....

City..... State..... Age?..... Position?.....

Education?..... Any practical experience?.....

Ever studied accounting?..... Where and how much?.....

Rebuilt Bookkeeping Machines For All Kinds of Figure Jobs

You can get a rebuilt Burroughs Bookkeeping Machine, one that will post ledgers and statements, for very little more than the cost of a new machine that will only list and add.

Just think of the number of figure jobs you can handle on a Bookkeeping Machine besides simple addition and subtraction:

Posting customers' accounts and statements.
Posting accounts payable and general ledger.
Posting cost and stock ledgers.
Proving postings and taking trial balance.
Distributing sales, expenses and purchases.

If you can use a general utility machine—and what office cannot?—this Burroughs will be worth many times its cost to you. More machine work means absolute accuracy, neat records and time, effort and money saved.

Rebuilt Burroughs Bookkeeping Machines are fully guaranteed and are good for many years of service. Any regular Burroughs salesman will be pleased to show you how you can apply one of them to your work.

For more information or demonstration write or phone the nearest Burroughs office or address any of the following offices:

New York Office: 327 Broadway
Chicago Office: Conway Building
Kansas City Office: Firestone Building
San Francisco Office: 2nd and Brannon Streets
Atlanta Office: 22-24 Walker Street



General Adding Machine Exchange
Incorporated

A Children's Market, Too

(Continued from page 14)

when Miss Marston stages a Children's Story Book Week. Felita comes down to the store, perches cross-legged on a counter in the children's book section, takes a big breath and tells her stories to a youthful and goggle-eyed assemblage. And how she can hold an audience! To a merchandise manager whom experience has taught that books are hard to move, a Burgess-Nash Book Week with Felita Hensen in action would be a revelation.

That same card index carries, too, the name of Morrie Palmer, the mechanical marvel. Morrie just naturally eats up machinery. He has a special taste for airplanes. At fourteen Morrie knows as much about the physics of flying as the Wright brothers learned in years of hazardous experiment over the sand dunes at Kitty Hawk. Morrie lives in a world of aeronautics; he talks in terms aerolons and wing area and lifting force and propellor thrust.

By request Morrie brought his science to bear to help Miss Marston stage an aviation meet last summer. Morrie took skillful charge of the aviation section in the toy department of the Burgess-Nash store and collaborated, gravely and learnedly, with a silver-winged young lieutenant from one of the army's flying fields who came to the store—also at Miss Marston's request—to deliver a businesslike lecture on aviating.

And this is how the meet was staged: Immediately after school closed for the summer vacation Miss Marston began her preliminary advertising. The plan was to be a combination of competitions in two accomplishments—the building and flying of toy airplanes.

There were to be three general classifications in the contest: one for airplanes bought "knocked down" and put together by their purchasers; one for "store" airplanes that were bought already assembled and would be flown by their owners; and one for planes strictly home-made. Within those general classifications there were to be divisions as to the ages of the "aviators" and the sizes of the machines. The prizes were to range upward from a five-dollar gold piece to a forty-dollar plane. Morrie Palmer, recognized authority on toy aviation, would be at the Burgess-Nash store every day to give assistance and counsel. Miss Marston timed her advertising so as to give the youth of the city a month to build or procure their airplanes and prepare for the contests. In that month enough airplanes were built in Omaha to equip a young A. E. F.

Omaha boys talked spruce and linen and shellac and rubber-band motors. They went down to the Burgess-Nash



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your used multigraph ribbons. They can be used over and over again, effecting a considerable saving, if you are equipped with a

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Multigraph Ribbon
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The machine pictured above is our latest model Multigraph Ribbon Re-Inker and will replace the ink in your used ribbons in five minutes time at a cost of 7c for ink. So simply constructed that no experience is needed to operate successfully. Guaranteed by us and sold subject to the approval of the user.

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ADVERTISING AND ADDRESS

STICKERS

Our Stickers grasp attention and interest. Our designers constantly produce novelties that are inexpensive business-getters. Whether it is a big or little order, we give it an expert touch that makes our Stickers distinctive.

We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
1627 WASHINGTON AVE.
ST. LOUIS, U. S. A.

store and looked over the stock of airplanes and airplane parts. They consulted with the aerially erudite Morrie Palmer on specifications and materials. They jammed the airplane section to hear the experienced young flying lieutenant lecture on aviation. The newspapers discussed airplanes and airplane building. This may have been due, in part at least, to the fact that Miss Marston invited the sporting editors of three Omaha papers to act as judges of the meet. The sporting editors looked grave and professional, and accepted the responsibility.

The meet was held in Miller Park, in the outskirts of Omaha. It seems to be entirely safe to say that never, in all the history of aviation, have so many airplanes and airplane pilots been assembled in one place. There were miniature monoplanes and biplanes, land planes and flying boats, combat planes and scout craft, planes of standard design and planes that no designer had ever dreamed of. The air was full of them.

Briskly efficient, the three sporting editors ran off the contests. Airplanes whirred in bee-line courses as they ought to do, or developed internal troubles and executed astonishing nose-dives and tail-spins, or "taxied" into the spectators, the while the Graflex cameras of the newspaper photographers took pot-shots at the excitement. A few of the planes were smashed, and so were a few records for the flying of toy machines. Some of the winners, for instance, made flights of 150 feet and better. And of all this the grave and professional sporting editors wrote long and circumstantial accounts. Omaha went on the map as a center of aerial navigation.

Stunts, all these? Maybe so. Miss Marston doesn't worry much about what to call them. They make business for the Burgess-Nash Company. And besides—

"All this sort of thing is just heaps of fun," she says. "It makes business completely worth while. Yes, I like being advertising manager of a department store. But really"—and this a little wistfully—"really, I think I would like sales promotion work much better."

And that from a woman who, as an advertising manager, is doing more sales promotion work than a skilled stick-shaker could shake a stick at!

Price Per Floor?

Somebody—maybe a sales manager—called up an engraving concern in Detroit and asked for a price quotation on a copper plate of a picture of his company's building.

"How big?" the engraver asked.

"Seven stories high," said the prospective customer.



Labor Turnover Is Expensive

It pays better to keep the workers you have spent time and effort to train in your ways, than to be constantly changing. Furnishing employes with individual steel lockers is one way to win their good will and loyalty.

MEDART STEEL LOCKERS

Possess many points of superiority that make them the choice of discriminating buyers. Made of smooth sheet steel with welded joints and richly enameled. Multiple locking device operates with one turn of the key. Adjustable legs. Fire, rust and theft-proof. Easily installed. The reasonable first cost is the only cost.

Send for Booklet

It illustrates and describes all styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools and gymnasiums. Inform yourself. Get the facts. Clip and mail the coupon below to our nearest office. We also make Steel Shelving, Racks and Bins for storage, stock-room or office. State if interested.

Fred Medart Mfg. Co.
Potomac & DeKalb Sts. St. Louis, Mo.

New York
52 Vanderbilt Ave.

San Francisco
Rialto Bldg.

Fred Medart Mfg. Co.
(Address our nearest office)

Please send your free booklet describing Medart Steel Lockers. We employ about people.

Firm Name.....

Address.....

Attention Mr.....

We are interested in Steel Shelving, Racks, Bins..... (Please check)



IF you buy envelopes in quantities of ten thousand or ten million, our *Buyer's Guide* should prove as useful to you as to those into whose hands it has already come. Purchasing agents, advertising men, office managers, stationers, all have found it an aid in envelope buying. Have you sent for your copy?

The STANDARD ENVELOPE *Manufacturing Company*

1013 Oregon Ave., Cleveland, O.

Fenton Labels and Seals STICK

YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

Let us supply you with Fenton Labels and Seals. Write us for prices and catalog.

FENTON LABEL CO., INC.
506-512 Race Street
PHILADELPHIA, PA.

Reducing the Number of Lines

By ERNEST A. DENCH

MY travels have taken me into three countries, but neither in the United States, Canada nor England is the single grocery line window featured to the extent that it might be.

You will find grocers here and there who are exponents of this concentrated form of window dressing, and generally they are doing the biggest business in the city. If it is their policy to devote a window display to a single article, they are generally as progressive in other respects.

The average grocer stocks anywhere from 1,000 to 5,000 different grocery articles. Even if he were to change his window display every day, it would take him several years to feature each article individually.

The tendency today is toward reducing the number of grocery items, so that the grocer may have less capital tied up in slow-moving lines and thereby increase his turnover. Among these several thousand lines are many duplications. You may be carrying a dozen different brands of peas, half as many of cocoa, perhaps eight kinds of condensed milk, and so on down the line.

A wholesale grocery salesman who now runs a successful retail store stocks no more than 200 different articles, yet his stock is as complete as that of any grocer who stocks ten or more times as many lines. The difference is that he handles only one or two reliable brands on each product.

Of course, it is easy for a man just opening up a store to make such radical changes, but the grocer who has been in business some time and has patrons whose tastes vary must go slowly.

You cannot coerce people to take a certain article they don't want, because there is always another grocery store in town that stocks what you don't. But, by employing the right tactics, you can educate people to buy what you have. In this connection the single line grocery window plays an important part.

The whole thing must be done gradually and tactfully. The weeding-out process is best begun with well-known staple lines, because it is in these that the most duplications occur.

To get his customers into the habit of asking for a single brand of cocoa and chocolate, an eastern grocer staged a "drive" on these two products. The lower rear half of the window was draped with cloth arranged in artistic folds, while the top half was covered with a lace curtain drape. At each side was a two-tier mound, draped with green cloth, on which rested neat piles of cocoa in cans, with packets of



Right Before Your Typist's Eyes

She doesn't have to stop and peer sidewise to see her notes, thus losing time, making errors and courting astigmatism. They're directly in front of her in the

LUDINGTON COPY HOLDER

This allows the typist to sit comfortably and look straight ahead. It "picks up" each line for her, so she doesn't have to search for her place. This new freedom from nerve and eye-strain, and the supreme ease with which the typist does her work, means increased efficiency, neatness and production.

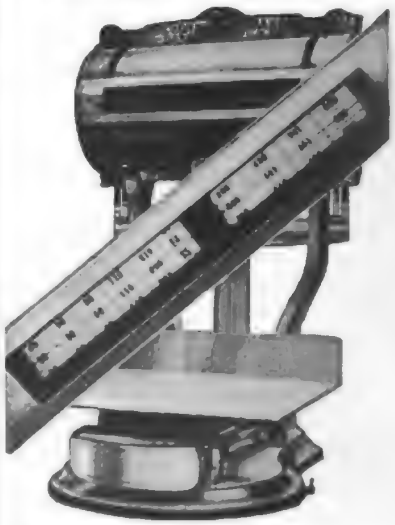
Six sizes. Send for Booklet "B"

BEATON & CADWELL MFG. CO.
New Britain, Conn.

DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.
326 WEST MADISON ST., CHICAGO
Sales Distribution

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chocolate laid between. In the middle was a wooden float, covered with green cloth and raised several feet from the floor on two stands, which were hidden by a large sign placed in front. The sign announced:

"SPECIAL SALE—Cocoa and chocolate. Imitation of a cut-glass nappy FREE with one can of cocoa and one cake of sweet chocolate."

At the ends of the float were two fully dressed dolls, holding a packet of the chocolate between them. The middle part of the float contained several packets of chocolate. On the floor in front were two rows of cut-glass dishes.

When the grocer decided to concentrate on tea, the premium selected was a china dinner plate. The background to this window was formed with white lace curtains, with folds of black velvet across the middle from left to right. Attached to the velvet was a single row of packet tea labels. Plates were neatly stacked upright at the back, the plates being arranged in rows, one a little higher than the other. At each front side was a butterfly-shaped mould, formed by two cones placed on top of each other and joined at the narrowest points. Each mound was covered with pleats of white cloth, bordered at the top and bottom by a series of black ribbon rosettes. Where the two cones joined, a single china plate was attached and bordered by a series of black rosettes. Strung down the center from near the glass was a single row of plates on a slender chain. A card announced:

"FREE With one pound of 50c tea."

The display was completed by four plates placed in single file along the front by the window glass.

When baking powder was featured, the window at the back was decorated with a huge bell, outlined with crepe paper. At the center was a platform, the first two tiers of which contained tumblers, with a pyramid of cans of baking powder above. Cans of baking powder were stacked at each side in pyramid form from the floor. About half-way up each pyramid two small glass shelves, each filled with six glasses, jutted out. A card in the foreground announced:

"12 Tumblers FREE TODAY with one pound of baking powder."

The premium as a sales stimulant is not absolutely necessary; still it induces many people to experiment.

The single line window display, however, can be made to accomplish some fine work in eliminating surplus brands. A single grocery line display once or twice weekly for six or more consecutive months should reduce your stock by dozens of lines, allowing you the use of the capital for expansion in other directions.



WHY are *rubber stamps* used in your office? Because you want to print the same thing day after day, and a rubber stamp for this purpose saves its cost thousands of times over. THE ADDRESSERPRESS performs a similar function in a much bigger way. Into a set of Elliott Index Cards your stenographer stencils that list of customers' or prospects' names you have to write every few days. Then—forever after—these cards will address your circulars, statements and other business forms as much faster than hand-addressing as rubber stamps are faster than handwriting. *Send for our booklet "Addresserpressing."*

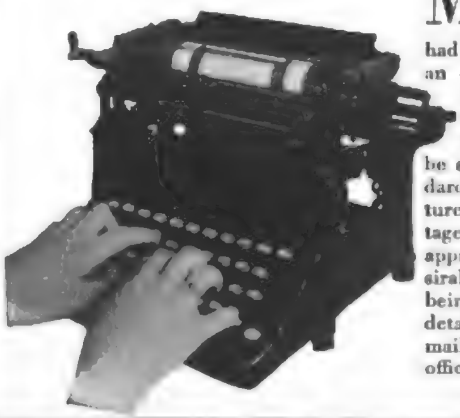
THE ELLIOTT COMPANY, 143 Albany St., Cambridge, Mass.

The Addresserpress

MADE BY THE ELLIOTT CO. CAMBRIDGE, MASS.

No Expensive Embossing Machine to Buy

Changes of Address Easily and Quickly Made



METAL address plates used in former addressing machines had to be embossed with an expensive outfit. But the *Fibre Address Cards* used in the ADDRESSERPRESS can be stenciled on any standard typewriter. This feature is especially advantageous to concerns which appreciate the superior desirability and accuracy of being able to handle all details pertaining to their mailing lists in their own offices.

SURPRISED!

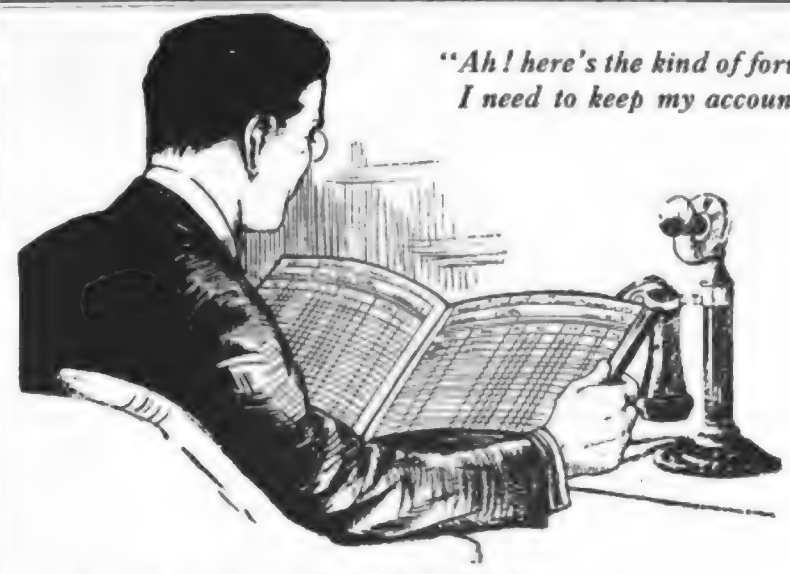
COPIES that look like originals and the cleanliness and long wear of Panama Bronze Carbon Papers have surprised thousands of operators—and their employers too.



If there is not a Panama dealer in your city, send direct to us for samples, with the name of your dealer, and we will include an interesting and helpful chart to solve carbon paper problems. Specify color and weight of samples wanted.

MANIFOLD SUPPLIES CO., ***Manufacturers***
BROOKLYN, N. Y. (Station L4) U. S. A.

FOR NEAT CORRESPONDENCE—*LONG-WEARING* PANAMA RIBBONS
"Panama Your Letters"



"Ah! here's the kind of forms I need to keep my accounts"

MOORE'S MODERN METHODS

Shows simple and scientific methods of keeping all kinds of business records in loose-leaf books.

Send for Our 144-Page FREE Book

It's FREE for the asking, and is full of helpful information on record-keeping for office, factory and store. *Write today.*

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Manufacturers of Loose-Leaf and Bound Record-Keeping Devices
1176 Stone Street ROCHESTER, N. Y.



THIS BOOK FREE

VERTISING SECTION

The Latest in Smuggling

Not "hooch" alone finds its devio way into "the states." Recently was discovered that a new kind smuggling was eluding the offici watchers along the fortless inte national line. It was the smuggling money.

The discovery was made by th bankers of Cleveland. It happene that Canadian money was being di counted in Cleveland at 20 per ce discount. But the discount was mo or less theoretical, in that in man instances the banks were permittin their merchant customers to depos Canadian money at 100 per cent. Bu the situation was disquieting, and became even more disquieting whe the intermixture of Canadian coin i the deposits began to increase. "Let look into this thing," the bankers sai

They looked and found this new kin of smuggling. A ring of operator it transpired, was "buying" Canadia money in Canada—buying it wit American money—and then carryin it across the border and converting into American money. For som reason the ring had picked Cleveland the market place.

With exchange between the tw kinds of money standing at 20 per cen the smugglers were realizing a gro profit of 20 per cent every time the crossed from Canada with a grip full money; and their "importations ranged from $5,000 to $15,000 each.

The bankers acted, and quickl Every customer was told that in futu all Canadian money would be di counted at 20 per cent on deposi Mindful of this, the merchants bega scrutinizing their receipts and refusin to accept the Dominion cash except the prevailing discount. Then th Cleveland Electric Railway Compan posted placards in its street ca announcing that Canadian mone would not be accepted by its co ductors at all; and that made unanimous.

Hints for Buyers

The trials of a buyer form the bas of a humorous skit that is making th rounds of the store newspapers pul lished by department stores. Th title reads: "Good Health Hints t Buyers." The "advice" follows:

"Rise at 6 a. m. Stand in the mid dle of the room, raise arms slowl above the head, take a deep breat and say, 'Damn the advertising de partment'—lower arms in attitude deepest despair.

"Extend body flat downward o floor, cover eyes with hands, kick heel and concentrate on employment de partment. Weep until dry.

"Kneel, wring hands and meditat

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upon the receiving department and groan about fifty times.

"Assume sitting posture, grab head with both hands, sway to and fro and bless' the credit office. Repeat twenty-nine times.

"Collapse on the floor—consider the income tax and gnash your teeth."

Paying a Debt Without Knowing It

"Kindly place this check to my credit, said the merchant, as he slipped through the cashier's window a check for $24.17 which John Brown, one of the customers, had just given him.

"Mr. Brown hasn't that much to his credit," said the cashier.

"That's queer," declared the merchant, "for he gave me that check this forenoon and showed me his book with $500 to his credit."

"That may be true," replied the cashier, "but a note of a man named Jackson endorsed by Brown fell due today and we charged it up to Mr. Brown's account, which is the reason there are not sufficient funds here to pay Brown's check."

"Did you notify Brown that you were going to do it?" demanded the merchant.

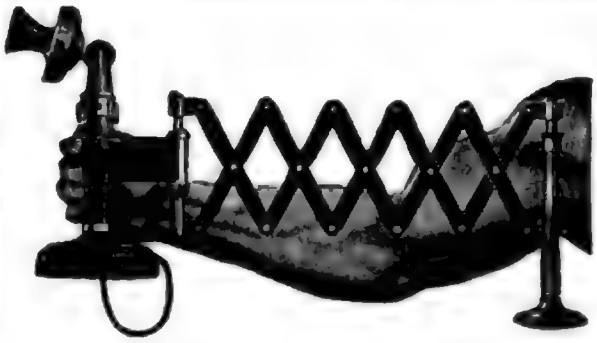
"No—we didn't have to."

"Well," declared the merchant, "it may be law, but it doesn't look reasonable to me that if I have a deposit here you can apply it to a note of mine without as much as saying 'by your leave!'"

The merchant was wrong, however; the general rule is that if a depositor is indebted to a bank the latter may apply his general deposit to the debt without notice to the depositor, as far as may be necessary to pay the debt.

This rule has been laid down by practically all the leading American courts, including the United States Supreme Court and the state courts of Alabama, Arkansas, Delaware, Florida, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New York, North Carolina, Ohio, Pennsylvania, Virginia and other states.

"It cannot be doubted," says the United States Supreme Court, "that except under special circumstances, or where there is a statute to the contrary, a deposit of money upon general account with a bank creates the relation of debtor and creditor. The money deposited becomes part of the general funds of the bank, to be dealt with by it as other moneys, to be loaned to customers and parted with at the will of the bank. It creates an ordinary debt, not a privilege or right of a fiduciary character."



Strong and Flexible

The Sperry Telephone Arm is a sturdy affair which makes it possible to have your telephone almost instantly before you—and as quickly out of the way. And it is accomplished without the devastating sweep of the telephone cord across your desk, spilling ink or scattering papers, because the cord is neatly attached by eyelets to the arm itself.

The Sperry Arm is always within reach—always out of the way.

Write for the name of the nearest Sperry Arm dealer.

Guaranteed for 5 years. *Address Dept. 41.*

Kellogg Switchboard & Supply Company

Chicago, Ill.

All Mann Products

are made under our roof

The Mann Factory

SINCE 1848, we have been growing gradually, until today we occupy every inch of space in our eight story factory building, 21 to 27 North Fifth Street, Philadelphia. In this one plant we have the following complete manufacturing departments:

Blank Book Bindery
Loose Leaf Bindery
Lithographing Department
Printing Department
Engraving and Printing-from-Steel Department
Copying Book Bindery with our own Paper Mills at Lambertville, N. J.

Each of the above is a complete plant in itself. Each process is started and completed in our own factory.

This assures a uniform, superior quality of work, impossible to obtain if each process were done in a different shop.

Many banks purchase all their office supplies and equipment from us. All Mann products are always of the finest quality

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving, Office Stationery and Supplies

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway

You May Lose This — If You Can't Figure This —

BANKRUPTCY STATISTICS tell us that more than ninety per cent of all retailers fail sooner or later. Many authorities have said that these failures are due more often to the lack of detailed records, giving knowledge of expenses, sales and profits, than to any other cause. But with an easy, ecomical way of getting these records, nowadays, even a small merchant cannot plead lack of time or money as an excuse.

To make a satisfactory profit the retailer must know where his profit comes from—what each department is earning; how much each clerk sells; which items of merchandise are most in demand—and he must see that every cent of expense is recorded and charged against the department which it affects.

There's An Easy Way to Do It

Take the Herman Swike Mercantile Company in Maysville, Mo., for example—carrying only 400 accounts on the Customers' Ledger. They have ten departments, including groceries, men's and women's clothing, shoes, drygoods, house furnishings, etc. In such a diversified business, unless close watch is kept, the profits are often absorbed by overhead, slow moving stock, wastes, errors and needless items of expense.

But Mr. Swike has means of perfect control over expense, errors and every detail of his business—a Burroughs Bookkeeping Machine. It helps him get the greatest possible return from his business.

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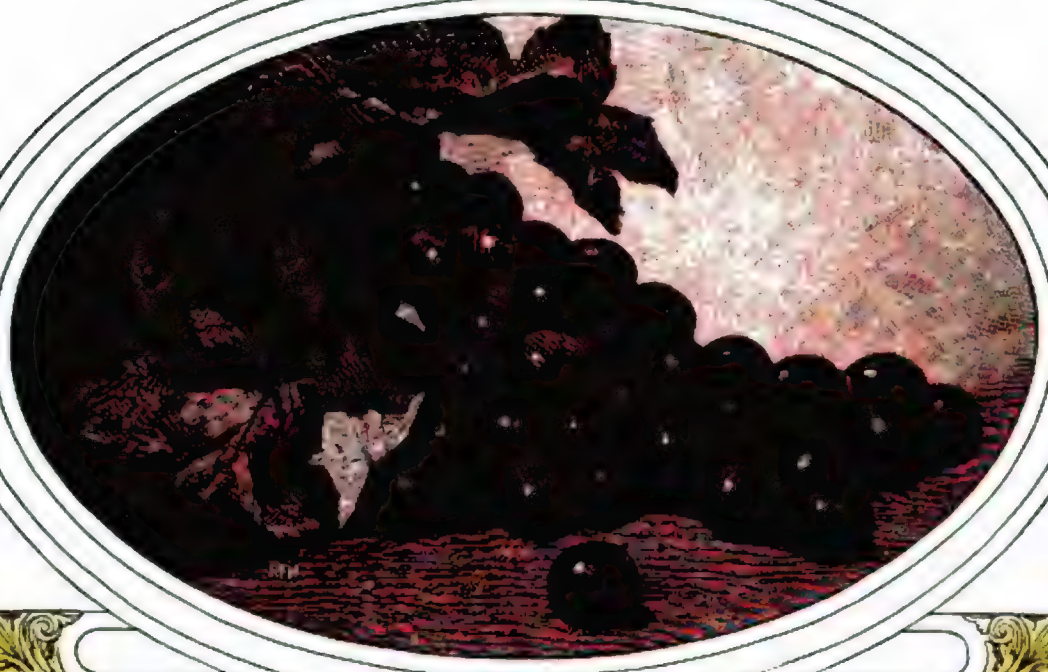
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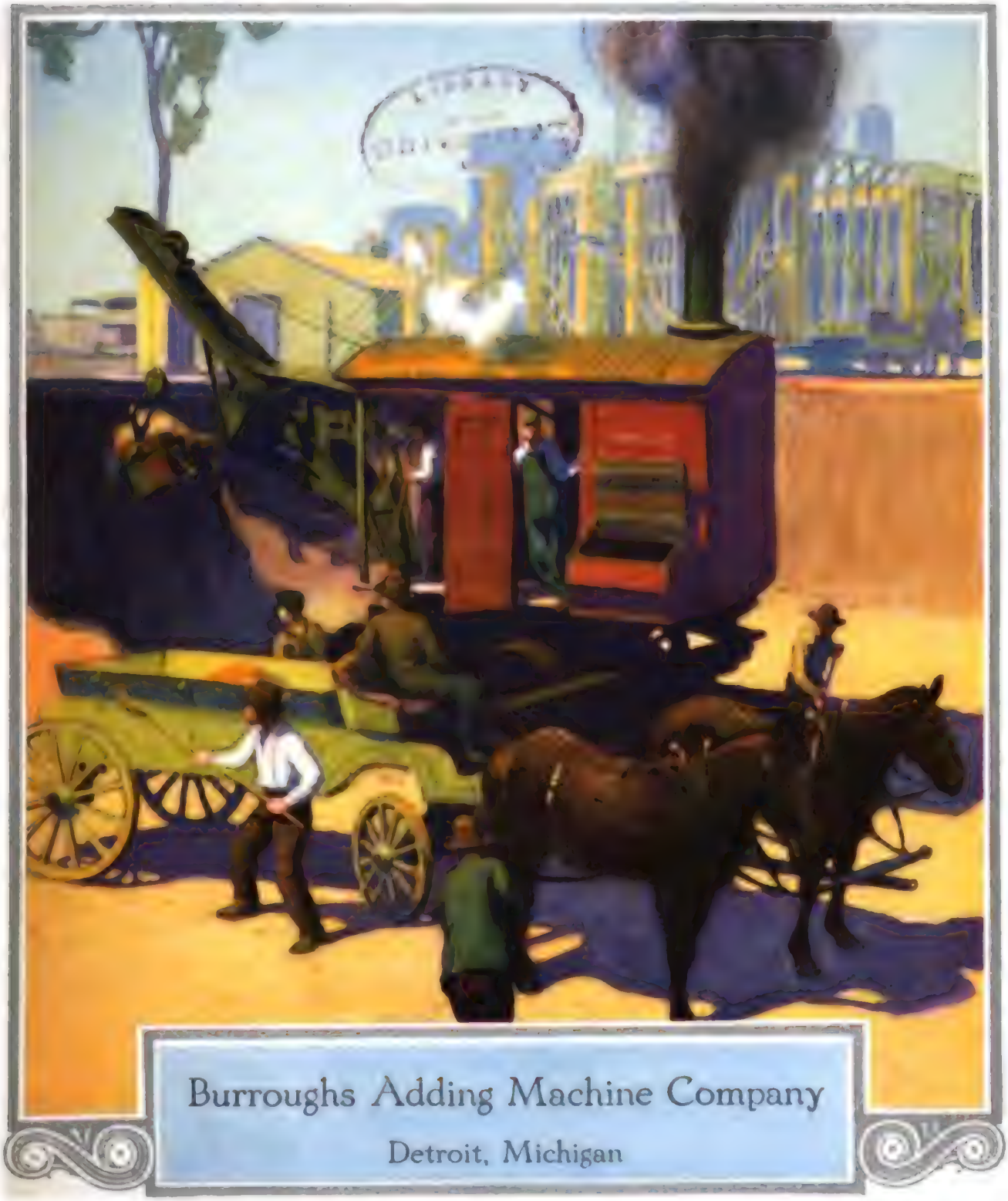
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BUSINESS



VOLUME TWO
NUMBER NINE

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LUCIEN KELLOGG, *Editor*
A. H. LINENBERG, *Business Manager*

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BUSINESS

Volume 2 No. 9

Industry's Moving Day

By RICHARD BOECKEL

A CENTURY AGO the valleys of a certain county, not far from New York City, were filled with wheat fields. Today they are filled with dense woods. The only remaining evidence of their earlier utility is here and there a tumble-down stone fence running through the thicket—fences piled by colonial farmers from the abundance of stone that littered their lands.

These lands once supplied most of the wheat for New York, and their owners prospered—until the railroads came. The wheat raisers of this county, and of the other less fertile sections of the East, were the first to feel the effects of the revolution in transportation.

As freight rates came down and middle western wheat was brought in constantly increasing volume to eastern markets, the price of wheat fell and the New York farmers soon found themselves unable to produce it at a profit. In the end their farms were abandoned to whatever would take root and the impoverished owners moved on to the more fertile free lands of the West.

This was the beginning of a process of agricultural centralization under the influence of improved transportation that went on throughout the entire period of railroad expansion and falling freight rates. Food production was centralized in the West and manufacturing, at the same time, was centralized in the East. Both were placed upon a new long-haul basis.

Goods from established industrial centers near the Atlantic seaboard could be shipped into the West by rail so cheaply that the development of manufacturing in the new territory, where labor was scarce and free capital limited, met with almost complete discouragement. Practically all industrial development went on where industry had been started—in the East.

Industry was centralized by cheap long-distance transportation. Inevitably it will be decentralized by the present high transportation rates. In some industries the process has already begun.

Long-haul rates today are at higher levels than in nearly fifty years. When the Interstate Commerce Commission began gathering its statistics in 1887, the railroad revenue per ton mile was only a little over a cent. By 1916 it had dropped to seven and seven one-hundredths mills. Since then it has soared until at present the revenue per ton mile is something over a cent and a quarter.

Had the rise in rates reflected by these figures been spread over a considerable period of time, industry would have been gradually re-located for the elimination of long hauls. Compressed within a short period of five years, during most of which the world was at war, the increase in rates has given industry little time to think, much less to act.

The limited decentralization now taking place is going on under the compulsion of economic forces that have been little understood. The movement has not got into full swing, but when all industry rids itself of the delusion that freight rates soon will be back somewhere near the old levels, the relocation of manufacturing establishments and parts of manufacturing establishments may be precipitous.

The first railroad rates, when the locomotive was just emerging from the experimental stage, were fixed on the ton-per-mile basis of the old cartage systems. It cost $5 to send a barrel of flour 100 miles by cart. To send it twice as far cost twice as much—or



PHOTO BY EWING GALLOWAY, NEW YORK CITY

Close-up view of an agitator at new Sinclair refinery, East Chicago, Indiana



PHOTO BY EWING GALLOWAY, NEW YORK CITY
The world's largest locomotive, a "pusher" recently installed by the Erie Railroad

more than the barrel of flour was worth.

This system of rate-making was well adapted to cartage, since it made the cost of transportation prohibitive outside the radius the carts could serve economically. Railroad managers soon discovered that it was not so well adapted to the new steam lines. The ton-per-mile basis of charge deprived them of the very kind of business they were best fitted to handle.

A new system was soon devised, under which long-haul rates were successively reduced, until at last they were only a little higher than short-haul rates, and to send a consignment of goods across the continent cost little more than to send it across the state.

The first rates had been fixed just low enough to divert haulage from the carts and canals. There were steady reductions thereafter as new lines came in competition with the old, as locomotives and rolling stock were improved and as iron gave place to steel rails.

Between 1850, when there were 66,000 miles, and 1880, when there were 285,000 miles of track, the cost of transportation was cut more than half. The practical equality between long-haul and short-haul rates at the end of this period was quite as important a factor in the centralization of manufacturing in the East as the lowness of the rates themselves.

The tendency was for each important industry to develop and centralize itself where it first got a foothold in this country. English potters settled and started their potteries in Western New Jersey. When an ambitious workman or the son of a master potter was ready to start in business for himself, he usually established his pottery "across the creek" from the parent plant. There he could be sure of getting skilled workmen and attention for his wares from the buyers coming to the larger pottery.

Bavarian potters settled later in Ohio and started potteries there. Still other potteries would have been established farther west, except for the coming of low transportation rates, which permitted New Jersey and Ohio to remain the pottery centers of the nation, despite the westward movement of population.

Aside from its comparatively small water power resources, which fell into disuse with the development of the steam engine, New England has no natural advantages for textile manufacture. It is the textile center of the United States today principally because of the determination of its people that Great Britain should not succeed in preventing industrial development in the new nation after the Revolution by forbidding exportation of her newly invented textile machines.

THE Massachusetts government paid Robert and Alexander Barr, two Scotch immigrants, $1,000 to reconstruct machines for carding, roping and spinning cotton and wool, with which they had been familiar in Scotland, from memory. These machines were widely copied, and when the whaling industry declined, releasing capital for investment, and low freight rates came with improved transportation, the textile industry was established on a firm foundation in New England.

Freight rates exercised a still more direct influence toward centralization in one locality upon new industries started later. Akron is the rubber center of the western hemisphere, for example, because a pioneer rubber manufacturer set up his factory there and succeeded in obtaining very favorable freight rates on rubber goods from the railroads passing through the town.

When additional capital was attracted to the industry by a new process of hardening rubber, the obvious place to establish the new plants was Akron—where it would enjoy the same low freight rates as the original factory, with which it would have to compete.

The influence of low freight rates upon the development of practically every other manufacturing industry was the same. The result is that 85 per cent of all the collars and cuffs made in the United States, for example, are manufactured in Troy; 54 per cent of the gloves and mittens in the neighboring towns of Gloversville and Johnstown, N. Y.; 48 per cent of the brass ware in Connecticut, and 46 per cent of the carpets in Philadelphia.

The tendency to centralization was followed, inevitably, by a tendency to combination and monoply. As manufacturing machinery was improved and increased in cost, the advantage of combining all plants established in one locality and turning out the same product became readily apparent. Duplication of expensive machinery could thereby be avoided and the machines that were necessary could be kept in continuous operation. Raw materials, bought for all in one order, could be bought more cheaply and waste could be economically converted into salable by-products.

The census of 1840, just before the period of railroad expansion and low freight rates began, shows the largest number of small manufacturing enterprises the country has ever had in proportion to its population. With each succeeding census the number steadily declined.

The waste involved in transporting raw materials from the West to the East and back to the West again as finished products in ever-increasing quantities has frequently been pointed out by economists. Prior to the war their theories received little attention. The minds of industrial leaders were occupied with America's new contribution to industrial progress—standardized volume production.

So long as transportation costs were low the actual money waste in freight charges that could be eliminated by decentralization was small. This waste was more than overcome by the savings of big-scale production in the East.

The war put a different aspect on the question. The nation was not then concerned with eliminating money wastes, but it was greatly concerned with eliminating wastes of service. Of all services, none was more vital than the service of transportation—and of none was there greater waste.

Congestion of traffic in the East, due to the concentration of manufacturing there, grew to such proportions at the critical stage of the war as to threaten a complete damming up of the stream of food and supplies to Europe. Every agency of the

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government joined with the Railroad Administration in its effort to get maximum service out of the railroads by minimizing waste and congestion.

Encouragement was given by every purchasing branch of the government to the establishment of new manufacturing enterprises near sources of raw materials in the West. No order was placed east of the Mississippi that could be handled in the West.

Southern ports were developed to give new outlets of supplies in addition to those previously developed to meet the needs of industry in the North. Large shipbuilding contracts were given to Pacific Coast yards, in order that cars returning to the West might not return empty.

Edward N. Hurley, then chairman of the Shipping Board, spoke before a Congressional committee late in the war of the excellent record being made in the construction of steel ships at the Seattle yards.

"You mean wooden ships, of course," he was corrected. "They have no steel out there."

"No, I mean steel ships. We found we could get steel from Gary to Seattle quicker than we could get it from Pittsburgh to Philadelphia."

The powerful impetus given by the government toward industrial decentralization would have lost its force with the clearing of traffic congestion after the armistice, were it not for the fact that a new limitation had been put upon wasteful use of transportation facilities by increased freight rates.

Business seems to have better understood the effects of increased rates before the war than since. Its opposition to the first petition of the railroads for increased rates was unanimous. The Interstate Commerce Commission, after first denying the petition of the railroads, reversed itself later and allowed a general advance of 5 per cent in eastern roads in 1914.

In 1915, again despite the opposition of the business community, a general advance of 10 per cent was given the western roads and two years later the carriers obtained a second advance of 15 per cent. Business noticed few ill effects from previous advances during the period of war prosperity, and stood less firmly against further increases than before.

In the agricultural sections, however, the increases were keenly felt—and for a simple reason: Industry was able to pass the increased rates on to the consumer, whereas the farmers always have paid the freight to market on their products themselves.

The "hog and hominy" movement for diversified agriculture in the South, started when cotton prices fell with the outbreak of the war, received great encouragement in the increased rates. So long as the South devoted itself solely to raising cotton it would be caught both going and coming. It would be compelled to pay the increased rates not only on its cotton, but on everything it ate and wore and used that was brought in from the North and the West.

Along with the "hog and hominy" campaign there went a movement to induce northern manufacturers of cotton goods to locate in the South, near the cotton fields. One great company had already seen the advantages and placed its cotton mills there. Since that time practically every cent of new capital that has gone into the manufacture of cotton goods has been invested in mills in the South.

The increases granted by the Interstate Commerce Commission before the United States entered the war did not result in materially increased revenues for the railroads, because of the activities of state railway commissions, which continued ordering reductions in rates within their states. These commissions ceased to function, so far as rate-making was concerned, when the roads were taken over by the government.

All rates, long-haul and short-haul alike, were affected when Director General McAdoo issued General Order No. 28, for a general advance of 25 per cent. The railroads lost money throughout the entire period of government control, even under the increased rates, so it was obvious that a new advance would be necessary when they were returned.

Western shippers vigorously opposed the petition of the railroads for higher long-haul rates. Another advance, they said, would make it impossible for them to ship their products to eastern markets, and would put the

(Continued on page 32)



Where Sixteen Counties Trade

The Story of a Co-operative Campaign That Brings Business To Topeka Without Cutting In on the Small-Town Merchants

By ARTHUR H. LITTLE

MAN SQUINTED through a surveyor's transit and measured angles in terms of degrees and minutes; he ran a tapeline across the landscape and computed distances in terms of feet and inches; he followed the courses of rivers and creeks and sketched their windings and turnings, the while he made notes in a book. Then he sat himself down before a drawing-board and expressed his angles and distances and sketches in a thing he called a map. Certain lines, forming squares and irregular rectangles, he drew with heavy strokes. Those were boundary lines. He located the cities and towns, and from city to city and town to town he drew certain connecting lines. These, too, he made heavy; for they were the railroads. Then, as an afterthought, he drew other lines connecting the communities. But these the map-maker seemed to hold in low regard. He drew them in lightly, sketchily; for these were merely the highways. This done, he laid away his map as a thing complete and permanent.

Then there came jouncing into the picture a thing called a flivver. And the flivver just naturally ruined that map.

A creature of the highways was the flivver. It knew no boundary lines; distance it regarded as a mere opportunity to roll up mileage; the railroads it held in sputtering disdain. And from its first resilient jump, the flivver began raising havoc with the distribution of population and the allocation of commerce. Man looked on in consternation, then hauled out his map and set about the job of making it over. He concerned himself with those highways. He drew them in more heavily. Next he straightened out some of their curves and eradicated some of their kinks. Then he made them still heavier. But now there arose confusion. The highways were as heavy as the boundary lines and as heavy and nearly as straight as the railroads. Seeing this, the map-maker tore up his old map and made a new one. You will find the new map—or one of the same sort—in the offices of the Topeka Merchants' Association in Topeka, Kansas.

The cities and towns are on the map, and so are the boundary lines of counties and the routes of railroads. But the boundary lines are mere dot-and-dash affairs and the railroads are as the faint, cross-hatched trails of a centipede. The highways, alone, stand out heavy and black. They radiate from Topeka through sixteen surrounding counties. Still the transformation in the map goes on. The next detail in its making-over, the Topeka Merchants' Association will tell you, will be the erasure, as purely academic non-essentials, of those dots and dashes that trace the boundary lines of the counties. For that is the Topeka idea.

IT may be well, right here, to characterize Topeka. Topeka has a population of 50,000, and is the capital of Kansas. The city has four railroads of respectable size, the Missouri Pacific, Union Pacific, Rock Island and Santa Fe, and of the Santa Fe it is the headquarters. Topeka's retail stores are doing a combined business annually of twenty-six and one-half million dollars. All these facts Topeka admits. But beyond these facts the city makes no claim except this: that commercially, agriculturally, climatically—and possibly intellectually—Topeka is the heart of Kansas. That's all.

Topeka is situated in Shawnee County. To the north and west of Shawnee are the counties of Jackson, Brown, Nemeha, Marshall, Pottawatomie, Riley, Geary and Wapaunsee. To the southeast and south are the counties of Morris, Chase, Lyon, Osage and Franklin. To the east are the counties of Douglas and Jefferson. Now, if you draw a heavy line along the outer borders of that group of sixteen counties—which includes Shawnee—you will have a fairly regular rectangle of territory, longer from north to south than from east to west, with Topeka lying slightly to the eastward of the center. Such a line as that the Topeka Merchants' Association has drawn on its map. "And that," says the association, "is our retail trade territory."

Within that trade territory of sixteen counties—and despite the fact that Topeka, with 50,000 inhabitants, is easily the metropolis—there live 329,000 persons. Last year the 10,600 acres of producing land in the sixteen counties yielded crops to the value of $88,217,273, and the total production of the territory was $165,275,035. Of the 329,000 inhabitants of the region, 70 per cent are rural residents; and yet, so well have the highways within the territory been developed, every individual in the district lives within a radius of two hours and a half, by automobile, from Kansas Avenue, the main street of Topeka.

Per capita, and in accordance with the Kansas average, those 329,000 individuals are the richest persons in the United States; and per family, according to the United States census bureau, they own one and a fraction automobiles—which may mean one motor car plus a flivver.

There you have the situation into which the Topeka Merchants' Association has launched its trade extension campaign, the purpose of which is not merely to bring the trade of that sixteen-county territory into the retail stores of Topeka, but to erase, figuratively at least, those boundary lines and to unite the whole district into one commercial community to the end that business may be bettered for everybody. The fulfillment of such a program as that represents a sizable job.

It's easy enough, seemingly, to stage a trade extension campaign and "go after" the rural retail trade. Put on special sales that will appeal to the folks living in the country, use the rural mailing lists, advertise in the country newspapers—these are expedients that virtually suggest themselves. They all look easy, especially the expedient of advertising in the



PHOTO COPYRIGHT BY PAUL HARRISON

Kansas Avenue, Topeka, the trade center of sixteen counties

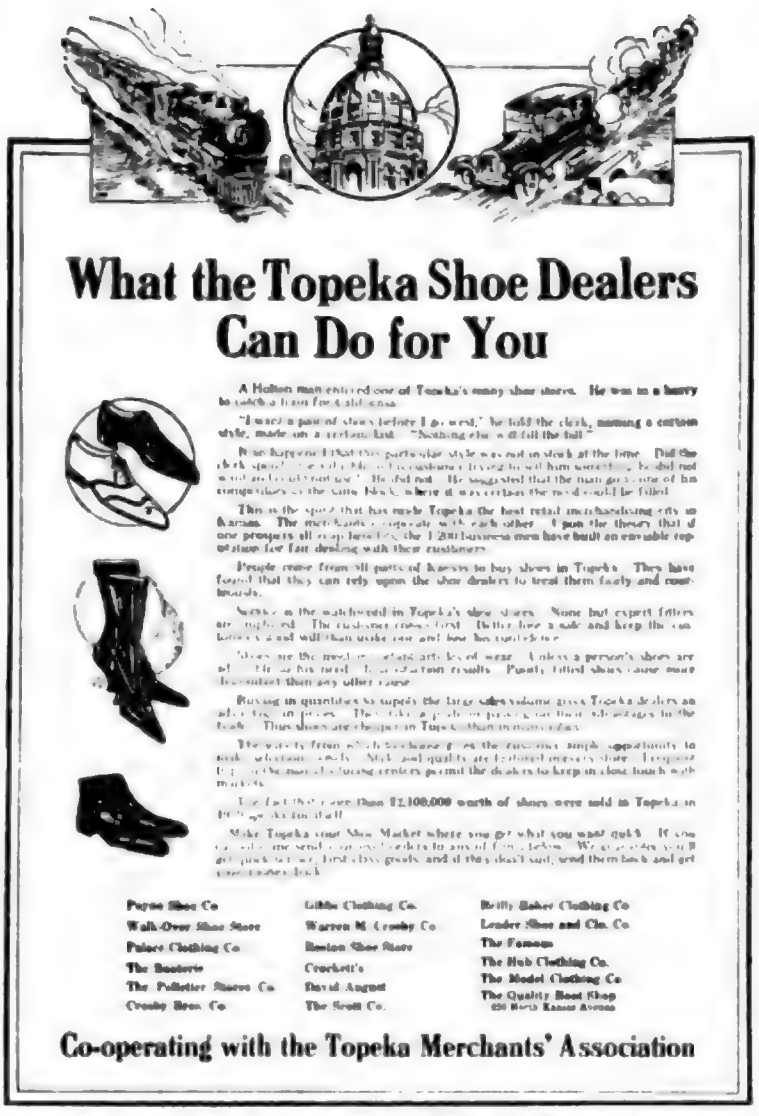
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small-town newspapers. That one really is easy—and dangerous.

Consider a typical case. A retailer of men's clothing in a city of 50,000 undertakes to "go after" the rural trade. He decides to start by concentrating on some small town of 5,000—call it Blairville—twenty miles or so from his own city. He makes up a few pages of advertising matter that deal with his merchandise and sends them out to the editor of the *Blairville Clarion*, with instructions to "run" one of them a week.

The results from such a plan of action will be twofold. The retailer in the city of 50,000 will get results; and so will the editor of the *Blairville Clarion*. Of the two, the editor will get his reaction the more quickly. The retailer in the city may have to wait a couple of weeks before he notices the returns. The editor will get his immediately. On the afternoon of the day on which the first advertisement appears, Sam Whitemore, who owns the Blairville Toggery, across the street from the postoffice, and who belongs to the editor's lodge, will call up the *Clarion* and talk at length about civic patriotism and unfair competition. George Spaulding, who left the road last summer to establish his snappy Neckwear Shoppe next door to the Hippodrome movie theater and who managed the editor's campaign when he ran for park commissioner last fall, drops into the office of the *Clarion* on his way home and says he is "surprised." The following morning's mail brings a letter to the editor from the manager of the new chain clothing store on Main Street, and the letter starts with the words, "Please cancel."

Milton Tabor, secretary and manager of the Topeka Merchants' Association and called "Tabe" by just about all of Eastern and Central Kansas, used to be a newspaper man. Until early this year, when he signed up with the Merchants' Association, he was on the staff of the Capper Publications in Topeka. He knows the small towns; he knows every one of the eighty-five rural editors in those sixteen counties that constitute the trade territory of Topeka; he knows, as he puts it, "what every one of 'em is up against." A newspaper man by training and by temperament, Mr. Tabor turned naturally to his brother newspaper men for co-operation when he tackled the job of erasing those county boundaries. First, he enlisted as his powerful ally the Topeka Press Club, an organization of more than a hundred men, all actively engaged in writing work and most of them writing for rural readers. Then he turned his attention to the country editors; by personal calls and letters throughout the territory, he told the rural editors about the Topeka idea of trade extension.



A specimen of the co-operative advertising published in small-town newspapers in the sixteen counties comprising Topeka's trade territory

"GET this straight," Mr. Tabor emphasized to me, as he described that preliminary missionary work, "the Topeka Merchants' Association most emphatically is not competing with the rural retailers. That's the point, the very heart and soul of our trade-extension campaign. Right there, I think, is where the mistake is most often made in trade extension work. When city merchants undertake to 'go after' the rural trade, they are inclined to ignore, absolutely, the rural situation. They don't care a hang if they get the small-town editor 'in bad' with his local advertisers; they imagine they can afford to risk the enmity of the small-town merchants. Such a trade extension campaign may work *this* year. But it will not work *next* year—at least not in the same town.

"It's next year that we have in mind, and the year after that, and all the years to follow. Our most undesirable liability would be the hostility of the small-town editors and merchants; that's what we are trying to avoid. Our most desirable asset will be the friendly co-operation of those same men; and that's what we are trying to get."

Basically, the idea is this: In its trade extension advertising—and around advertising all trade extending effort must revolve—the Topeka Merchants' Association is directing its copy; and for that direction the association is using a knowledge, and a specific knowledge, of local conditions as the guide. Thus, in a town whose retail trade is supplied with men's clothing the Topeka association will use no clothing copy; in a town that has good furniture stores the association will publish none of its furniture advertising. Such a method, necessarily, is predicated upon accurate, up-to-date information concerning trade conditions in the trade territory; and all the time the Topeka association is adding to its fund of trade information.

First, Mr. Tabor made his personal survey of the trade territory. He called on every editor in the district. He called as a missionary and as a gatherer of facts. He told the editor about the Topeka idea, and then he asked the editor many questions. The survey completed, he followed up his personal tour with a letter to every editor in the sixteen counties, restating the policy and plan of the Topeka association and enclosing a questionaire to be filled out and returned.

"Without conflicting with your local merchants," the letter asked each editor, "what lines of merchandise and what lines of business can the Topeka Merchants' Association advertise, advantageously to us and to your business, in your town?" The editor was requested to make his reply on the questionaire form, which would show the name of his town and county, the population, the name of his newspaper and its circulation and advertising rate, the schedule of railroad trains to Topeka and the distance to Topeka by highway; besides these, the questionaire listed some thirty-eight lines of mercantile activity, from automobiles

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According to Their Likes

By FRED C. KELLY

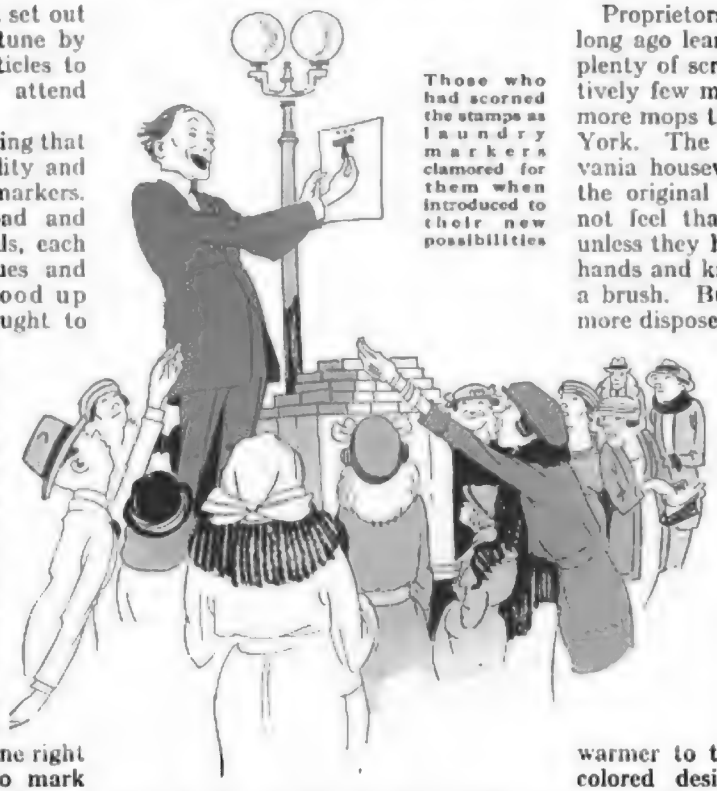
MY OLD FRIEND Strout set out one day to win a fortune by selling small, useful articles to the freeborn yeomen who attend county fairs.

In casting about for something that would combine simplicity, utility and cheapness, he hit on laundry markers. These consisted of an ink-pad and rubber stamps for one's initials, each decorated with lovely curlicues and scrolls. Confidently he stood up before the multitudes and sought to dispose of these wares. But nobody bought. His device was practical and inexpensive, but it had no appeal. The salesman was amazed, and his curiosity was aroused. Why shouldn't so useful an article sell? When he found an opportunity he called one or two men and women aside and asked them if they would mind telling him frankly why they had no interest in his laundry markers.

"Because," one of them explained, "we don't send any laundry. All our washing is done right at home. There's no need to mark anything. Everybody knows his own shirt when he sees it in the pile."

Then it was all plain enough. But the salesman, being a resourceful person, found a way to dispose of his stock. He bought a few packages of gilt powder and some yellow ink and printed a few sample monograms on sheets of paper—sprinkling the gilt powder over the fresh ink to give the effect of letters embossed in gold. Then he offered his outfits to the populace as an opportunity to make handsome gold-monogramed stationery right in one's own home. Those who had scorned the stamps as laundry markers clamored for them when introduced to their new possibilities. The idea of gilt grandeur in social correspondence seemed to have a big appeal. My friend disposed of the rest of his stamps in a single afternoon. A day of two later he dealt with another crowd, mostly city folk, who didn't care for the letters of gold but were reasonably interested in laundry markers.

Thus the salesman stumbled upon a noteworthy fact: Though human nature is largely the same the world over, people's tastes and buying notions show an astonishing variation according to locality. One crowd will shun the very articles that may be sought by other people only a few miles distant. This variation in our desires may be due to climate, surroundings, occupation, tradition, habit, or to mere whim. Whatever the reason, it cannot well be ignored. The merchant who stocks up with an article because it has been popular elsewhere may have a rude shock ahead of him.



Those who had scorned the stamps as laundry markers clamored for them when introduced to their new possibilities

FOR example, the head of a big store in California, a man who had not lived long in that state, noted while in New York on a buying trip a few years ago that there was a great craze for artificial violets. Women wore them on their sleeves, on their muffs, and as corsage bouquets. As the fad had not yet reached California, he determined to be the first to introduce it. He bought rather heavily of artificial violets. When he got back to California he displayed them as temptingly as possible in his show windows. But he didn't sell one. When he stopped to think, he wasn't surprised. For why should a woman buy artificial violets in a state where real ones, fragrant ones, grow the year around and may be bought from street corner peddlers for a trifle?

Similarly, it is unwise to try to sell carpets with elaborate floral designs in Oregon or California, because the genuine flowers in the gardens throughout the year make the carpet flowers look ridiculous.

Proprietors of certain chain stores long ago learned that they must have plenty of scrub brushes and comparatively few mops in Pennsylvania, but more mops than scrub brushes in New York. The reason is that Pennsylvania housewives, as a heritage from the original Pennsylvania Dutch, do not feel that a floor is really clean unless they have been down on their hands and knees and scrubbed it with a brush. But New York women are more disposed to think of their dignity and are unwilling to get down on their knees so long as mops are available.

In parts of the South, dark-colored linoleums sell much better than light-colored ones—and for a reason that might never occur to the reader. The darker-colored patterns have less color pigment in them, and a greater proportion of cork. Consequently they are warmer to the feet than the lighter-colored designs. In sections where many people are in the habit of going barefooted, naturally then, these darker and warmer colors are most popular. You see, there is often a reason for people's tastes, even when it is not visible to the naked eye.

A wholesale grocer was puzzled for a time over the big demand for canned sardines in parts of Northern Michigan. Then it dawned on him. Northern Michigan is full of summer resorts; summer resorts mean picnics; picnics require sardines.

Likewise, there is a rather subtle reason why the best grades of canned goods sell best, in proportion to the population, not in the East, but in Utah, Montana, Colorado and Texas. In those states there is comparatively little irrigation and a drought spoils the gardens. Hence, they must have canned goods. And since they must eat canned goods throughout a large part of the year, they want the best.

In the Middle West, consumers of canned goods prefer smaller fruits, such as cherries, plums, raspberries and strawberries, while in the East people lean more toward peaches and pears.

Canned squash sells well in New England—simply because New England folks have got into the habit of eating canned squash. Green asparagus has the call in Boston, but white asparagus in Chicago.

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Demand for canned or preserved goods varies, too, according to nationality. Jewish people eat many prunes; Italians and Greeks care little for prunes but like dried apricots and peaches.

In the long run canned vegetables sell better in smaller cities than in big cities—because the smaller places do not have fresh vegetables shipped in the year around.

White cornmeal sells best in the South, but yellow cornmeal in the North. In the eastern part of the South the people like their coffee roasted browner than do the people elsewhere. Though candy is in greatest demand in northern climates, whatever candy is sold in the South must be sweeter than in the North. Chocolate coating ordinarily contains about 40 per cent of sugar for northern consumption, but for the southern trade this must be increased to 50 per cent.

So much for a glimpse at our eating tastes. They rest partly on reason and partly on mere whim. But in either event they must be heeded by those who have food to sell.

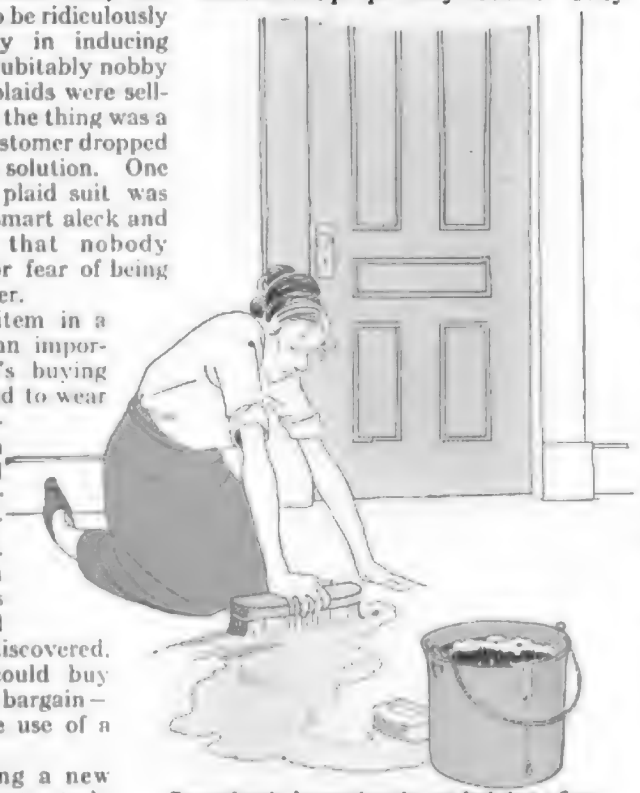
Of course, even where a buying preference seems to be based entirely on whim, there may be a definite reason lurking somewhere in the background. I recall one year that Bob Kingsbury, the clothing dealer in our town, laid in a big stock of snappy plaid suits. He sold several and then all of a sudden they ceased to move. Even though he advertised a big clearance sale, and guaranteed the prices to be ridiculously low, he had difficulty in inducing people to buy those indubitably nobby plaids. Inasmuch as plaids were selling well in other towns, the thing was a mystery. One day a customer dropped a remark that gave the solution. One of the first to buy a plaid suit was Roy Tinker, the town smart aleck and ne'er-do-well. After that nobody wanted a plaid suit for fear of being mistaken for Roy Tinker.

An innocent little item in a newspaper may have an important effect in people's buying impulses. Women used to wear white underwear contentedly enough. Then one day they learned that a movie queen—or maybe it was a society queen—wore pink. From that time on, in various localities, this fact had to be reckoned with. Women early discovered, however, that they could buy white ones—often at a bargain—and dye them by the use of a little red ink.

A salesman entering a new locality may well pause to study all the conditions that might affect people's actual needs, or that might cause a different psychological reaction than ordinarily would be expected. For example, I heard of a man who started a little shop dealing in women's wear in a small resort town populated largely by artists. He was particular to lay in his stock with a view to having everything right up to the minute as to style. He was astonished to note how little his customers were impressed when he assured them that this or that was the latest cut or the modish color. He had failed to consider that artists, of all people, are the least influenced by so-called current styles. If a woman artist wishes to buy a hat she feels that she is thoroughly competent to know what shape or color combination fits her own peculiar type of beauty. She may not care to be seen in a coat that suggests her grandmother's days, but she would rather take a staple article and make it conform to her own ideas than blindly accept a style laid down by a commercially minded manufacturer.

IT is the same way with wall paper or colored fabrics. An artist is always amused when told that this or that is the "fashionable color this season." Just as well tell an artist that sunsets are no longer considered beautiful as to say that one tint may become less desirable than another by stylemaker's decree.

On the other hand, there are towns where only the colors that somebody has said are proper may be sold. They are bought by one and all, without regard to the color of hair, eyes or complexion. The merchant who tries to dispose of much of anything else that season will lose money.



Pennsylvania housewives do not feel that a floor is really clean unless they have been down on their hands and knees and scrubbed it with a brush

In a general way, it may be said that the smaller towns, rather than the big cities of any section, want their clothes to be exactly as set forth in the fashion papers, whether adapted to the climate or not.

Certain sartorial characteristics go with particular parts of the country year in and year out. Loud neckties always go best in the Southwest. The same thing is true of shirts. Not long ago silk shirts had such strong acoustic properties that they became ridiculous. People of good taste no longer could be induced to buy them. But in a few towns they went better than ever.

Whenever ear-splitting neckties and shirts are in demand there is almost certain to be a corresponding clamor for loud dresses. Silks that, because of their vociferous colors, are used only for linings in most cities of the East, are the ones sought for the exterior of dresses in parts of the West. Even in garters—men's as well as women's—the brighter colors are worn more in the West.

In no article of dress does one find such variations as in hats. New York, for instance, is the best market for derby hats. Forty per cent of the derby hat output of one big company is sold in New York City. During the time that new-rich profiteers were at the crest of their glory and a $4 hat could be bought for as little as $18, beaver hats came to the fore in shops catering to natty dressers, as there was more seeming excuse for the high price asked for a fuzzy hat than for that asked for a mere derby.

Wider brims are to be associated with the West—and not very far west, at that. Detroit, for instance, is likely to want wider brims than Cleveland. In the Southwest only the big, wide-brimmed cowboy hats give general satisfaction. Lighter colored hats may be sold in California than in almost any other place, because of the long dry season—no rain to spoil the color.

Silk hats sell practically not at all in the informal West. A man in a silk hat in the West runs the risk of being regarded as undemocratic, if not as a downright ass. Where the silk hat is taboo, canes are usually looked upon as similarly foppish and unnecessary. Washington, D. C., is one of the best cane towns.

When it comes to women's hats there is even more variation between different parts of the United States. One section may be demanding flowers for trimming, another fur or feathers, and still another no trimming at all. The West may be asking for wider

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brims when everything in the East is close-fitting. A sailor hat is a rather staple commodity and will usually have at least a small sale almost anywhere. If fashionable, it will have a large sale in the North; but it will sell well in the South regardless of whether it is considered fashionable or not.

Strange to say, a few novelty requirements in dress spring up simultaneously in all sections. If women want longer skirts or larger buttons on coats, they are likely to begin asking for such changes in Omaha at about the same moment that they do in Buffalo or Pittsburgh.

California and Palm Beach are naturally the first places to offer a market for new styles in garments—and, incidentally, garment manufacturers have their agents on hand to see exactly how people react to the new offerings. If nobody wants things in brown but dart, trout-like, toward a new shade of green, it is then assumed that the public psychology is such that green is the thing to offer in largest quantities.

Pittsburgh, because of its soot and grime, wants lighter colored clothes than many other places. One might think it would be just the other way. But, you see, Pittsburgh is a wealthy city and many of its citizens might not want anybody to think that they wear dark clothes just so they won't show the dirt. For the same reason fewer colored collars and shirts with dark cuffs are sold in Pittsburgh than in almost any other city of equal size; no Pittsburgh man wants it said of him that he is trying to economize on laundry bills.

In many small cities of the West high, stiff collars are worn—even when those in vogue in the East are exceptionally low. The high, stiff, uncomfortable collar has long been associated with the idea of stylish extreme, and the people of a town that isn't quite sure of itself but desires to be considered just as citified, by heck, as the next place, turn to high collars as a sort of symbol of sartorial preciseness.

For similar reasons peg-topped trousers and "college" clothes had a long run in certain towns and outlying localities long after they had ceased to be worn in the places where they first started.

Khaki-colored clothes sell readily in the West where the alkali dust is thickest—because it is less noticeable on khaki. There, too, is the greatest demand for hard-surface materials. In the long run one must offer darker clothes in the Northwest, and lighter ones in the Southwest.



One of the first to buy a plaid suit was Roy Tinker, the town smart aleck and ne'er-do-well

One manufacturer of men's clothing had an idea, when the war came on, that the great prevalence of military uniforms would bring military-cut clothes strongly into vogue, even for civilian wear. But he was wrong. No civilian wished to be in the position of looking as if he were trying to ape the military—lest somebody say, in a bantering vein: "If you want to look like a soldier, why don't you enlist?"

Many clothing habits appear to have no particular reason back of them at all, but to be just habits. For instance, in summer, muslin underwear has the call in the South, but light woven underwear of similar weight has a little the preference in the North.

There is a reason, though, why white stockings are about the only kind the merchants can sell in a certain Oklahoma town. For years the town has suffered from a vexatious flea pest. With white stockings on, one may estimate roughly at a glance just how many more fleas have alighted on one than might be considered a normal supply.

In the lumber regions of the Northwest, where red flannels might be expected, the men want their heavy woolens to be white because of a belief that dying reduces the warmth-giving qualities.

If a store sells more white blankets than gray, red or tan, it is a fairly safe assumption that a majority of the store's customers do not do their own washing. Women who are obliged to wash their own blankets naturally find an advantage in colors.

Just as our tastes in food and clothing vary definitely according to geography, there is a similar distinction in nearly every other line.

New England prefers the simplest of designs in silverware, but west of the Mississippi there is a loud call for fancy designs and novelties.

A wholesale hardware dealer wondered why it was that he could never sell aluminum frying pans, but only cast iron ones, in a certain county. He attributed the prejudice against aluminum simply to some silly notion. He discovered, upon investigation, that the objection was well founded. The local water supply contained a large amount of alkali and this tarnished the bright surface of the aluminum utensils.

A manufacturer had a big shipment of bicycles returned to him because he made the mistake of shipping machines with wooden rims, instead of steel rims, and without mudguards, into a wet climate. The dampness warped the wooden rims and made bicycles thus equipped well nigh unsalable.

In almost any part of the United States enameled beds must be plain white. But in South America the people like black enameled beds with gold trimmings.

Because of the great congestion of population and the necessity of jamming furniture into small space, small beds and bathtubs find the most ready market. Many people who have lived all their lives in New York never saw a full-sized bed, but think a three-quarter width is as large as beds are made.

Waxed furniture, rather than the highly polished kind, is desired in those parts of the West where alkali dust would soon ruin a shining finish.

Wherever the people of a town have become prosperous in recent years and the town itself is beginning to perk up jauntily and call itself a city, there is sure to be a market for period furniture. The people who buy it may not know one period from another, but they are keen to be having whatever they hear is the swell thing.

Mission furniture still has a big sale in the South, because of the large colored population. To a prosperous colored citizen a mission center-table

(Continued on page 52)

The Dividends of Safety

Industry Began Education in Accident Prevention for the Good of The Man, and Finds That it is Equally Good for the Balance Sheet

By WALTER O'MEARA

FROM A BUSINESS viewpoint—a cold-blooded viewpoint, if you will—what does safety pay? If you set aside $1,000, say, to educate your workmen along lines of accident prevention in your plant or business, what results would show on your books at the end of the year?

For the moment let us disregard the humanitarian side of the matter, the economic side even, and get down to business—to profits and loss, to dollars and cents. How has safety worked out in actual practice as a business proposition?

In 1910 the Chicago & North Western Railway organized safety committees and pioneered the "new idea" in accident prevention. In the ten and one-half years following the organization of these committees 417 fewer employees were killed than in the ten and one-half years previous, and 22,600 fewer employees were injured—a decrease of 37 per cent in the number of fatalities and of 24.8 per cent in the number of injuries. The total saving in hard cash, even in the face of increased cost of adjustments and an increase in mileage of nearly 500 miles, for the ten and one-half years was some $3,657,801, or approximately $1,000 a day!

Accident prevention is generally accepted as the right thing, the "human" thing, to be fostered in industry. But in some quarters, when separated from mechanical safeguards, it is still regarded as something more or less in a class with Near East Relief and Fresh Air Funds—something to be encouraged and supported, of course, but something from which to expect no tangible returns.

The fact is that a thousand dollars invested in safety promotion can result in dollars-and-cents profit as surely as if it were put into improved methods or devices for fuel conservation, increased mechanical efficiency, or reduced maintenance cost.

The Four Wheel Drive Auto Company proved this to its own satisfaction, at least, when it invested less than $7,000 in accident prevention work, and got back the original investment *plus an interest of more than 90 per cent.* In one year this company, employing 1,300 men, reduced by 83 per cent the amount of time lost through accidents. The saving of 265,000 hours of labor was equivalent to a production of more than 500 trucks. The cost department figures of the company showed that more than $13,000 had been saved in reduced doctors' bills and compensation payments. Thus, aside from other benefits, such as the profit resulting from increased production, the original investment of the company was returned with an interest of more than 90 per cent.



The saw is guarded, but the workman is careless. Experts say that not more than 20 per cent of all industrial accidents are due to unguarded machinery

The speed with which accident prevention methods produced results in the American Rolling Mill Company is no less remarkable than the simultaneous reduction in compensation costs. Back in 1918 this concern paid out $20,638 for compensation in the first five months of the year. During the corresponding months of 1919 it paid but $1,340. In May, of 1919, the company, with 3,500 employees, paid $1.71 in compensation for accidents.

Financial returns from safety work, however, are not limited to savings in compensation payments. Remarkable increases in output often result. The Johnson City Coal Company, of Johnson City, Ill., for example, cut the cost of accidents in its mines from $5.42 per $100 of payroll to $1.48 per $100 of payroll in five months. In addition, the daily production of coal actually increased more than 11 per cent, and this with the same number of men, mules, cars, and other equipment.

"Statistics prove with reasonable certainty that about seventy-five per cent of railroad accidents are avoidable," says Harry J. Bell, secretary of the Safety Council of the Chicago Association of Commerce. "They further show that about eighty-five per cent of accidents to employees are due to carelessness or thoughtlessness on the part of the man who sustains the accident; his fellow employee; the injured man's immediate superior, who failed either to properly instruct the individual in his work or to make him appreciate that he must have proper regard for the safety of himself and others; or the employer, because of failure to provide proper tools, appliances or working conditions."

With little risk of misrepresenting, these percentages may be applied to almost any industry, based as they are upon human failings. It is noticeable that Mr. Bell places carelessness of workmen first and improper tools, appliances and working conditions last. The man who wishes to cut down accidents in his business may well consider this.

Accident prevention in its infancy took the most obvious and direct course. It began with mechanical safeguards and devices. A guard was put on the buzz-saw and nobody worried about the fact that Bill Jones was wearing a loose jumper that might at any time get him tangled up with the pulleys and belting. Safety began and ended with the guard on the buzz-saw.

Many a manufacturer today, having

installed every possible safety device in his plant, rests with an easy conscience under the delusion that he has done about all that is possible to protect his employees. The truth is that he hasn't done more than one-third of what he might do. Here is a fact:

Most of the companies cited did not effect their remarkable reductions in accidents by means of mechanical safeguards; these were installed long before the accident rate hit the toboggan. It was something else that did the business.

It was education and organization—the cheapest and most effective means to prevent accidents.

"The best safety device is a careful workman," says A. H. Young, of the International Harvester Company, a pioneer and leader in the safety movement. "Safety is something psychological; it is a state of mind.

"Most safety engineers, I believe, agree that mechanical safeguards are capable of preventing not more than twenty per cent of industrial accidents. Or, in other words, not more than twenty per cent of industrial accidents are due to unguarded machinery. The remaining eighty per cent are due to careless workmen. There is no doubt, I believe, that the workman solicitous of his safety would rather work in a shop where there are no safety devices, but where all the workmen are careful, than in a shop fully equipped with safety devices but in which the workmen are careless and untaught.

"In a nutshell: 'Safety is a state of mind.'"

How true this is was demonstrated in 1919, when, during the last two weeks of October, the Railroad Administration conducted what was known as the National Railroad Accident Prevention drive on all railroads under federal control, employing more than 2,000,000 men. During the "drive" forty-two fewer employees were killed than during the corresponding two weeks of the preceding year, and 2,731 fewer employees were injured. Safeguards did not enter into this result at all. It was due wholly to the fact that for two weeks officers and men were made to think, talk and live Safety.

The Scovill Manufacturing Company has uncovered some rather curious facts that further reveal to what extent the human equation enters into the prevention of industrial accidents. It found, for instance, that among the French-Canadian employees the accident rate per 100 men was 255; that is, the average number of accidents to every French-Canadian employee was a little more than two and one-half. Among the Irish, the rate was only 78 accidents to 100 men. During the day, it was discovered, the largest number of accidents occurred between 10 and 11 o'clock; during the night, between 8 and 9 o'clock. The accident rate also varied greatly with the ages of employees, those between the ages of 20 and 24 sustaining by far the greatest number of injuries.

SAFETY is revealed, then, not so much a matter of mechanical devices as of human tendencies. The sure way to safety is through education of the workmen and organization of the working force. This is the modern idea in safety, the idea that is being acted upon with gratifying results by progressive industrial concerns.

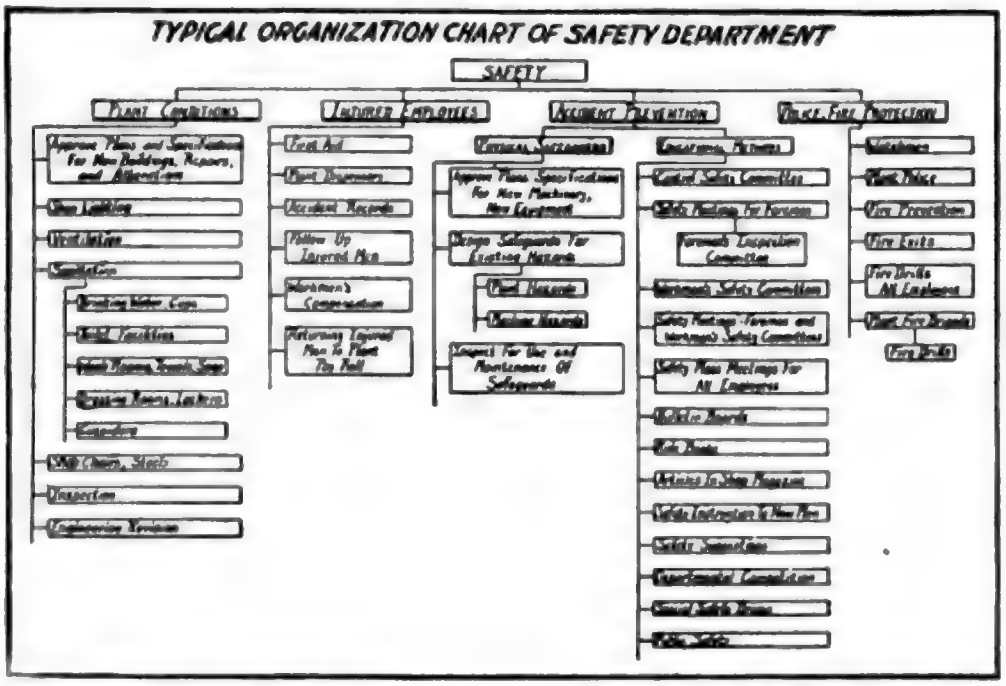
What the companies mentioned have done any company can do. The fact that 75 per cent of all accidental deaths and serious injuries can be eliminated in industries holds about as true for one as for another. Prevention of accidents has become standardized. W. D. Keefer, safety engineer of the National Safety Council, gives the following ten necessary steps in starting a safety organization from which real results may be expected. Modifications, of course, are necessary to some slight degree in various types of plants and under differing conditions; but the modern idea in accident prevention is typified in organization after this manner:

a. Enlist co-operation of manager.
b. Enlist co-operation of superintendent.
c. Appoint a safety engineer.
d. Appoint a central safety committee.
e. Enlist co-operation of foremen and sub-foremen.
f. Organize foremen's safety meetings.
g. Appoint foremen's inspection committee.
h. Hold safety mass meetings for all employees.
i. Appoint workmen's safety committees.
j. Start use of safety bulletin boards.

"The importance of the enthusiastic support of manager and superintendent in any safety organization is apparent," says Mr. Keefer. "If these executives treat the work as a side issue, foremen and workmen will do likewise. Safety must be made a vital part of the operating department.

"One man should be made responsible for safety work in every plant, regardless of its size. As safety engineer, he should be privileged to go outside and acquaint himself with the methods employed by other safety engineers. He should read, attend safety conferences and congresses, get in touch with state officials and insurance company representatives—do everything, in fact, that will broaden his point of view. With the knowledge thus gained he can relieve the manager, superintendent and foremen of many details, and do much to organize and promote effective educational work. He need not, of course, devote his whole time to accident prevention.

"In large plants the safety organization should be headed by a central safety committee to which all important matters should be referred for decision. It should include the superintendent, as chairman; the safety engineer, as secretary; and four or five other men occupying responsible positions, such as chief construction engineer, master mechanic, employment manager and department superintendents. Among the important functions of this body are: establishing standards for safeguards, formulating safety rules, outlining educational methods and directing safety campaigns.



The chart of a model safety department, based on the plan of the National Safety Council

"The attitude of the workman toward safety depends to a great extent upon the attitude of the foreman. A foreman who is convinced of the need for safety work, who carefully instructs and supervises his men, and day by day, by act and work, convinces his men that he is doing everything in his power to protect them, will get his men with him. Discipline has a place in safety work, but in the long run a foreman must lead rather than drive his men into safe habits.

"In small plants where there are only one or two foremen, these men are often considered part of the plant staff, and thus participate in the meetings of the central safety committee. In larger plants, however, the central safety committee does not include all of the foremen; special safety meetings for foremen should, therefore, be held at least once a month.

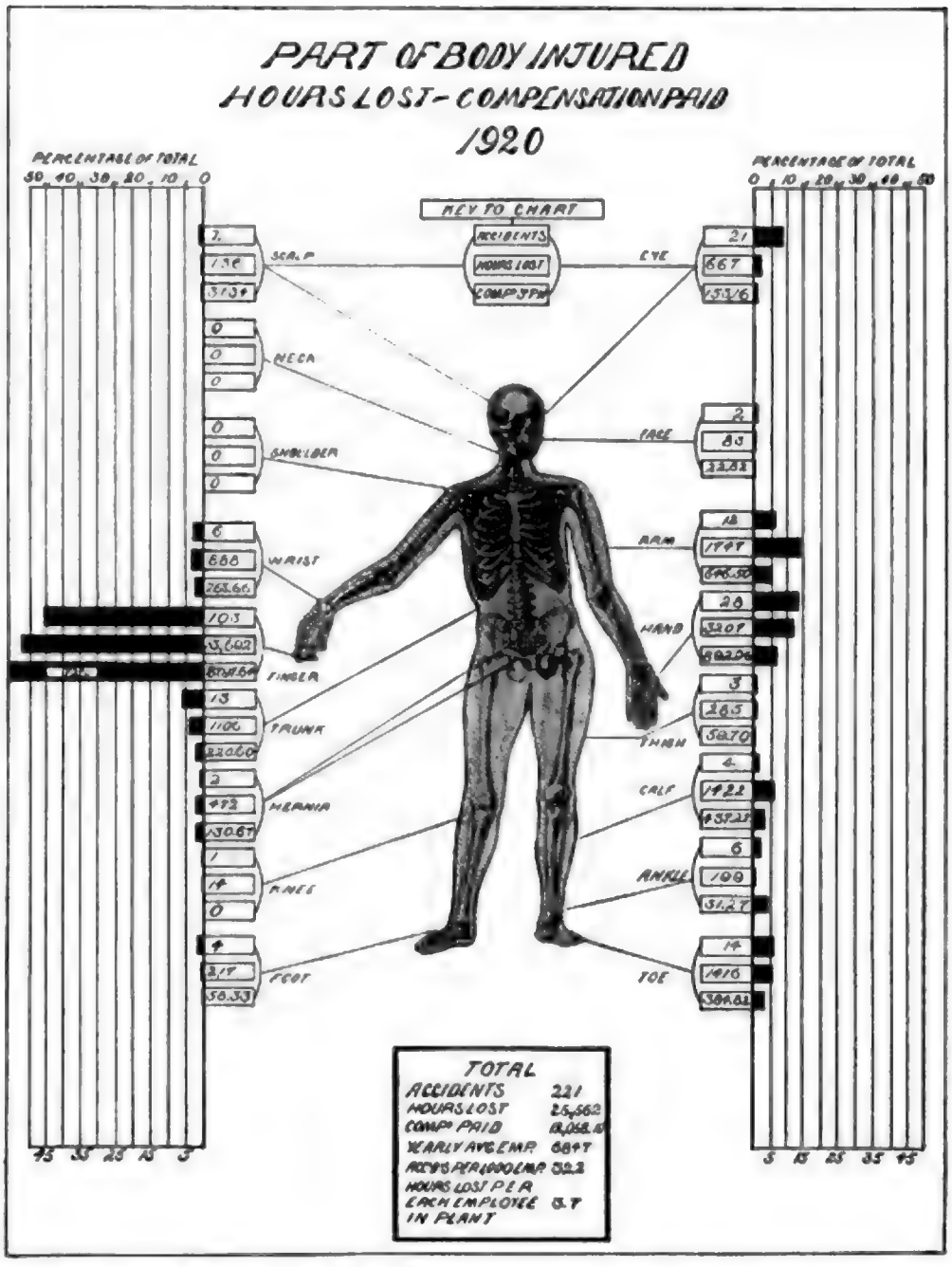
"At these meetings such matters as the following are taken up: reports of inspection committees, new recommendations, progress on approved recommendations, accident experience and general discussion. Each foreman should be encouraged to state his opinions and offer suggestions that he considers essential.

"In plants having more than five hundred employees it is advisable to appoint a foreman's inspection committee, consisting of at least five foremen selected from different departments. The membership of this committee should be changed at regular intervals. This committee should make one general inspection of the plant at least every three months—once a month is preferable. Its report should be submitted at the foremen's meetings.

"As soon as possible after the first foremen's safety meeting the manager should call a general meeting of all employees to explain the entire plan and invite their co-operation. Many companies are holding these general mass meetings annually, some oftener.

"In small plants where the departments are not sharply divided, one safety committee of workmen should be organized, to consist of three to five men. In larger plants it is advisable to have each foreman appoint a safety committee of two or three men to work in his department. It is often a good plan to have members of the workmen's safety committees attend regularly the meetings of the foremen.

"The duties of the workmen's committees are: to make regular inspections for unsafe conditions and practices and submit to the foremen a written report of findings; to instruct and warn fellow workmen regarding dangerous practices, and to investigate all serious accidents and near-accidents and submit reports and recommendations.



This chart embodies data compiled by the safety department of a typical manufacturing establishment in the Middle West. It shows not only what parts of the body were most liable to injury, but the number of hours lost and the amount of compensation paid in consequence of each class of injuries

"Give a workman some active part in safety work, some recognition, some responsibility—and you will gain his interest. This has been the experience of all companies that have properly organized workmen's safety committees. In practically every plant where these committees have been organized it has been found that approximately ninety per cent of their suggestions are practicable and are adopted by the company.

"When the workmen may ascertain just how men are being injured in the departments, they discover for themselves what a small percentage of the accidents can be prevented by the employer and what a large percentage are due to ignorance and to the carelessness of the workmen. This is a most wholesome lesson.

"Pictures and stories in the form of bulletins that visualize what the workman can do to protect himself have come to be recognized as one of the most effective ways of reaching the men. Bulletin boards should be placed at convenient points in each department. The secret of a live bulletin board is constant change—always something new, something striking."

This, very briefly, is the sort of organization that paid the Four Wheel Drive Auto Company 90 per cent returns on its investment. This is a glimpse of the modern idea of safety as it is put into practice in thousands of the most progressive plants of the United States. But safety, even from a purely business, dollar-and-cents viewpoint, is too large a matter to be confined within the limits of individual plants.

"A fact that is beyond dispute in a consideration of the relationship between safety and operation," says

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—And Add Six Pounds of Yeast

How the Fleischmann Company, to Create a Market for Six Pounds of Yeast, Helps the Baker to Sell a Thousand Pounds of Bread

By WILLIAM C. CAMPBELL

SPEAKING OF ROMANCE and the seeming lack of it in commonplace things, consider a cake of yeast.

Stripped of its tinfoil wrapper, a yeast cake ceases to shine. Aesthetically, it seems to leave something to be desired. Neither its color nor its consistency is anything to make an artist rave with delight. Even its taste is something for which the normal man must cultivate a liking.

Economically, as distinguished from its aesthetic aspect, yeast seems to have its inspirational drawbacks. It is a raw material like, for instance, iron ore. It has no direct appeal to the ultimate consumer. Ordinarily—and except that recently he has learned that the eating of yeast is good for his health—yeast has no impelling attraction for the man on the street. He knows he is a consumer of yeast, for he knows that yeast goes into the making of bread. But he can see no reason for becoming excited about it. He takes his yeast; but he takes it for granted. To him yeast is just yeast; and that's the end of it.

That, indeed, and generally speaking, is the end of it for everybody in the world, except one man. That one man is the yeast manufacturer. For him, that attitude on the part of the consuming public, that disinclination of the common people to be thrilled over the thought of yeast, is just the beginning. It is the situation that he must meet in selling his product.

In meeting that situation, the yeast maker can take one of two courses: He can depend upon the economic law that yeast is a necessity to human life, and in selling merely that quantity of his product that the public must have to keep the public body and soul together, he can make a good living; or he can use his imagination and his ingenuity in the development of his market, and thus develop that market so tremendously that he will establish new economic laws of his own. In the second of the two courses he will find the romance and the drama that, along with its millions of marvelous, microscopic cells of vegetable life, are packed into a cake of yeast. Consider, for example, the case of the Fleischmann Company, of New York and Chicago, biggest of all yeast makers.



Working in the baker's own shop, the demonstrator mixes up two batches of dough, one slow-fire and the other quick-acting

"Yeast," soliloquized the Fleischmann Company, agreeing with the man on the street, "is yeast. The people to whom we sell, the grocer and the baker, know our yeast. They know its character and its dependability as to quality and supply. Yeast goes into the making of bread. There, in bread, and for the first time, yeast comes into contact with the public. Right there, where the public starts with yeast, is where we should start—with bread. We can't sell yeast to the public, but we can increase the sale of bread. We can sell the public on the idea of eating more bread." And there the start was made—with advertising and publicity.

"Eat more bread," the public was advised. "Bread is the cheapest, most easily digestible and most nourishing of all foods." From coast to coast that message went. The public read, was impressed. Bakers began to sense an increased demand for bread; to meet the demand they made more bread; to make more bread they needed, and bought, more yeast. And right about then the war came along. Uncle Sam stepped into the situation and, seemingly, upset the whole business.

The principal ingredient of bread is flour; and flour is made from wheat. America's allies overseas needed wheat and needed it desperately. We, here in America, could do with less wheat. Uncle Sam set about the task of conserving wheat by minimizing its consumption by his own people. He started with bread.

"Use less bread," Uncle Sam advertised. "Bread, the staff of life, is precious to our weakened allies. We can do with less. Conserve bread." Broadcast went that message. Again the public read, was impressed. Bread sales diminished; so did the sales of yeast—but only for a time. The war ended. Restrictions upon the use of commodities were lifted. Bread came back to its own; and when it came back it brought with it a new and stronger appeal to the public. It had been indorsed by the government of the United States. The sale of bread mounted again; and with it mounted the sale of yeast. Both are still mounting, and still the propaganda for the eating of more bread is to go broadcast to the people—not a merchandising propaganda that is designed, as are most efforts of this kind, to "move the merchandise off the shelves of the retailer," but one that is intended to move the bread off the table of the household.

So much for the broader aspect of the picture, the aspect of nation-wide missionary work among the consumers. Now consider a detail, the baker. The man who holds the key position in the whole scheme is the baker. It is the baker who supplies the bread that the public is being educated to demand. The more bread the baker sells to the public, the more yeast the Fleischmann Company will sell to the baker.

As a sales promotion problem that sounds simple enough. But when you consider that eight to twelve pounds of yeast will make a ton—2,000 loaves—of bread and that to double the sales

of yeast something must enable the baker to sell two tons of bread where he sold but one before, then you begin to glimpse a problem that has its complications.

Contemplate, first, the baker and his traditions, temperament, and technique. His is an ancient calling. "The butcher, the baker, the candlestick-maker"—literature has bracketed the three from antiquity. But only one of them really remains. The butcher has laid away his poleaxe and become a retailer of a manufactured product that comes from Chicago or Omaha. The candlestick-maker hasn't seen his candle molds for more than a half century; nowadays he's running a factory that makes nitrogen lamps. But the baker, left to his own devices, still mixes his dough and "puts it to set."

Generally speaking, the baker needs educating. He needs to be shown why the manufacturing side of his business really is an exact science, a science that is governed by laws of chemistry and the well-established principles of the effects of heat. He needs to be shown why the merchandising side of his business is a science just as exact, a science that is governed by the laws of mathematics and economics and the equally well-established principles of psychology.

The baker can be educated in a school; at least, a limited number of him can be so educated. The Fleischmann Company has such a school in New York. The school is a combination of classroom and laboratory, a seat of learning upon which six to ten bakers can sit at a time and spend a week or so learning the science of their vocation. There they see a baker mix a "batch" of dough and use a closely calibrated thermometer to test the heat of the batch in the mixing. They hear him explain the intricacies of chemistry that are wadded up in that mass of flour and water and salt—and yeast. They see that same baker take a cupful of flour, and, with a simple technique that any of them can later apply in his own shop at home, test that flour for nutritive content, for mixing qualities and for general, all-around bread-making virtues. They watch him take apart the machinery of a bake-shop and put it back together again. They hear him lecture on merchandising, store management, advertising, cost accounting.

That bakers' school is now "booking" its prospective students for three and four months ahead. It is one of the busiest schools of any kind in America.

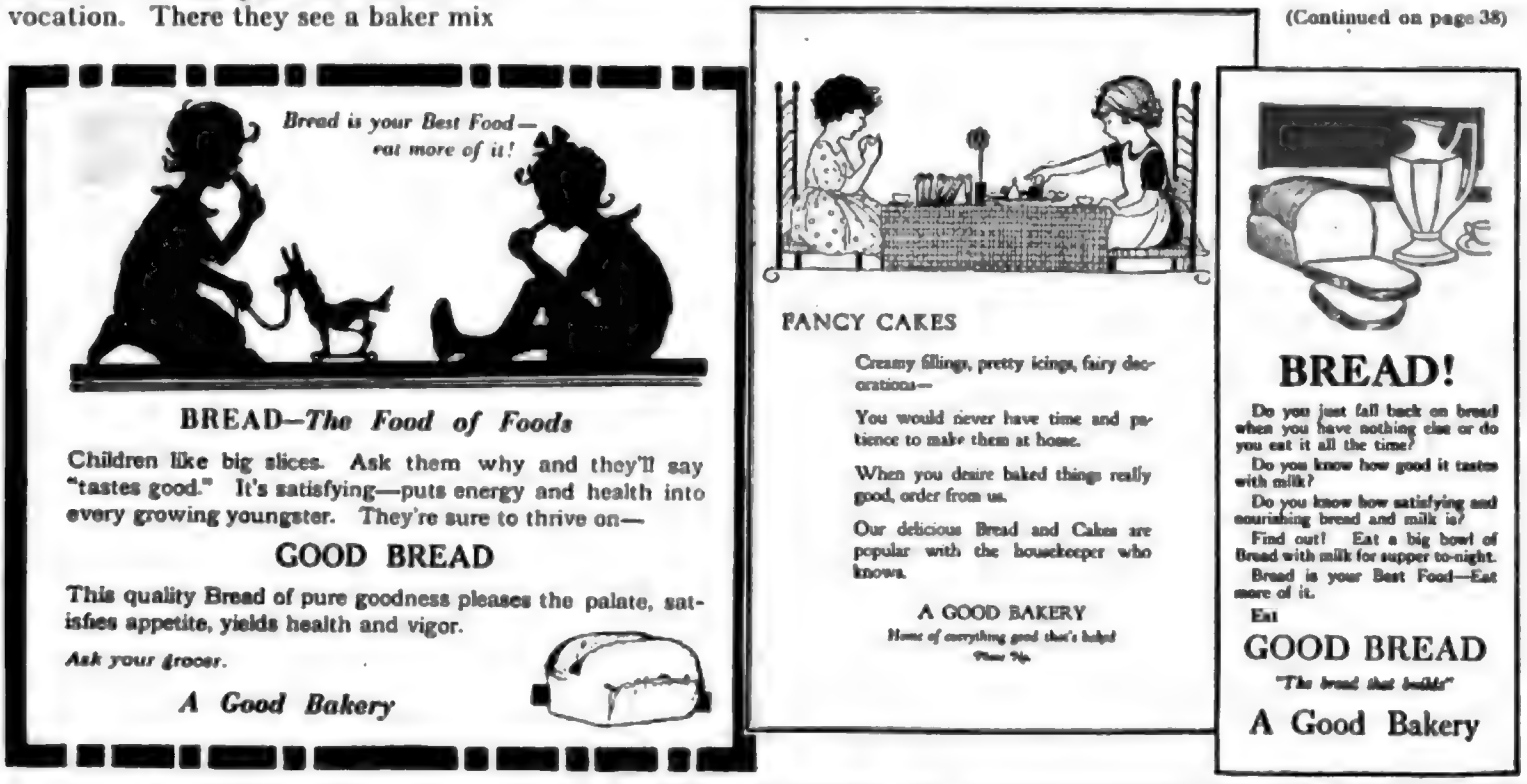
THE New York school, however, efficient as it is and busy as it is the year around, really reaches a comparative handful of the bakers of the country. For every baker who can spare a week of his time, go to New York, finance his own trip and take the training course, there are a hundred other bakers who "can't get away." They, too, need counsel and assistance. That is why the Fleischmann Company has in its organization a big staff of traveling men who travel all the time, but sell no yeast. In the Fleischmann nomenclature these men are "demonstrators" and "extra men."

To understand the status of the demonstrators and extra men, it is necessary to understand the nature of the nation-wide organization of the Fleischmann Company; and to understand the nature of the organization it is necessary to understand the nature of the product, yeast. Yeast is extremely perishable. In a nation-wide distribution, such as the Fleischmann Company has, yeast could not be manufactured, for instance, in a factory in New England and then shipped in big quantities to Atlanta, Chicago, Denver and San Francisco, to be stored in warehouses there for later redistribution. Yeast must be made and sold and used in a hurry. That is why the Fleischmann Company has eleven factories instead of one, 1,000 agencies instead of three or four branch offices, and 4,000 hustlers in the field carrying fresh yeast to the bakers and grocers.

Those 4,000 hustlers in the field are called "salesmen," but they really are neighborhood distributors. They drive light wagons or small delivery trucks; they take orders and deliver the goods. When you are taking orders for yeast and delivering yeast, you haven't much time to sit down and wax chummy with a baker and "sell" him on how, to his own advantage, he could use more yeast. That is where the "demonstrators" and the "extra men" come in. They spend all their time on the road, most of them in rather limited territories, consulting the managers of agencies and counseling those managers' customers, discussing the customers' problems and working out the solutions.

A versatile man is one of those traveling counselors of the bakers. He knows the chemistry of mixing dough and baking bread, and he knows the business side of running a bake-shop. He has had training in both.

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Specimens of the advertising service supplied to bakers by the Fleischmann Company. For the words "Good Bread" and "A Good Bakery" the baker substitutes his own brand and name

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Electro - magnetic separators in operation. Metal chips and shavings are dumped into hoppers and feed down a chute past wheel-shaped magnets. The iron and steel is picked out by the magnets and scraped off at the edge by a rod as the wheel revolves. The magnetic metals are thus collected on the floor under the machine, while the brass and copper slide on down the chute to their own bin. The separation reclaims great quantities of metal for re-use, and also enhances the value of the scrap



Cutting oil for use on metal-working machines is reclaimed from chips and scrap by these centrifugal separators. The oil thus collected, when mixed with new oil, goes back to be used on machines again, and a valuable item is recovered before the scrap is sold



In one great American factory all waste paper is slitted by this machine before it is baled and sold. Blue prints, correspondence and documents are thus destroyed. On the way to the knives such materials as paper towels, carbon sheets and the like are picked out of the mass to make the waste paper more valuable, and are baled separately

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Watch The Back Door, Too

Every Industry has its Back-Door Leaks, but Management Can Save The Gas, While Science Reclaims the Oil and Salvages the Steel

By E. W. DAVIDSON

"*WATCH* that front door!" is the slogan of American industry today, as it uses up its lead pencils to the last half-inch in its manful struggle to economize. No expenditures of any sort from wages to interest go out that front door if they can be stopped in the vestibule.

But what of the back door? Is salvage getting the same feverish scrutiny that the payroll gets? Is every manufacturing plant whetting up on methods of saving material and on teaching its workmen "tool thrift?" There are some factories in the country that have gone at the back-door problem scientifically and a good many others that do more than dabble in it, but experts assert that the back-door leaks in America today are staggering.

Of course, the standard excuse offered for our lax ways is that America is such a land of plenty that we have never had to scratch in the corners. It doesn't come natural.

It has been so unnatural for us, in fact, that the average plant manager, when he is approached with a suggestion for sifting over the floor sweepings of a shop, for instance, thinks a minute and then decides that it is more trouble than it is worth.

Possibly that is because he regards such economies as several separate little jobs, instead of as a part of a big plan of salvage with which he might saturate his whole factory, from the wastebasket in his own office to the great boilers in his power plant.

This same manager no doubt would be impressed with figures compiled by a certain big manufacturing plant that covers about 160 acres and employs 20,000 people. That factory, which is one of the mechanical industries of America, salvages a total of 80,000,000 pounds of material of all sorts every year.

This is enough to fill sixteen freight trains of fifty cars each. In this mass of stuff that might have leaked out the back door as waste is paper enough to print for two-and-a-half months a daily 16-page newspaper with a circulation of 50,000. There is rope and rags and string and burlap enough to weave a rug a yard wide and 45,000 yards long. There is enough metal in it to build 170 heavy passenger locomotives like those the New York Central uses on its main line.

And after those sixteen trainloads have been shipped out there is left in the works a great daily quantity of inflammable rubbish that raises a million pounds of steam a week in two 300-horsepower boilers to help run the plant.

"But," argues the unconvinced manager, "that's in a monstrous plant making a wide variety of products. Now *our* business is different,"—etc.

Of course it is different. But there are back-door leaks in every industry, and in only a few are they plugged up as well as modern management knows how to plug them. Has every one of those well-intentioned but unconvinced plant managers, the country over, gone clear to the bottom of the subject as it applies to his own business?

Until he has gathered up and thoroughly tried all the successful schemes that could be put to his service, however insignificant each one is, he ought not to consider his back door as leak-proof.

TAKE the item of paper. All businesses that are fairly well managed bale their waste paper and sell it. But do they all get full use out of that paper before it gets away?

For instance, a concern had a large quantity of Form C-O-100 printed up last year. It was stacked away carefully in a basement storeroom and drawn upon as needed. Six months ago that form was superseded, though half a ton of the blanks, bound in pads, still remained. A stock clerk had delivered part of them to a waste-paper buyer when he was stopped by his department head.

"George," said the department head to the clerk, "is there any reason why those couldn't be turned over and sent up to Building Four as scratch pads?"

George guessed there wasn't. So up to Building Four they went, in weekly bundles, as scratch pads to augment the regular supply of yellow paper, and another back-door leak was stopped. Eventually all of those blanks were dumped out of wastebaskets, baled and sold. And the paper brought the same price after use that it would have brought before the company got a cent's worth of service out of it.

In a factory that is especially careful about paper, all waste cuttings of every sort, together with pressboard trimmings and magazines, are collected in bags hanging in appointed places for the purpose. In a reclamation building they are classified, slitted, baled and sold. Discarded blue prints are cut into scratch pads and wrapping papers invariably are used over again in the packing department, possibly after they have already been used to wrap bundles moving between departments. Board trimmings and scrap wire are used exclusively to bale up these papers, thus saving the cost of baling wire and containers.

A plant that has use for much asbestos paper and sheeting saves every good-sized piece so that asbestos gloves may be made for it at 75 per cent less than the former cost of those gloves. No factory or business house ought to regard all its discarded paper as "waste" until that paper has rendered every possible service.

And as for boxes and boards—their uses are innumerable. The watchful manager knows that reclaiming waste lumber offers a field in which to effect large savings in material at comparatively low labor cost. Lumber left over from building operations and alterations, after yielding up its crop of bolts, taps, washers and nails, can be effectively used in some of the work that should be done in the reclamation department. There every box that has reached the factory with any strength left in it is rebuilt, either to carry the company's product out into the market or to be used as "tote boxes" through the factory. A few nails, a piece of board here and there or a strap of banding iron makes these boxes fully as serviceable as they were when new. On such boxes a New York State industry saves $12,000 a year.

Such lumber as cannot be put to any other use goes into the class of inflammable rubbish and can be burned to raise steam, while the excelsior and sawdust that may reach the plant in packing cases can very well be used for repacking.

Broken ropes and cables are never thrown away in a plant whose back-door leaks are plugged. The sound parts are cut out and used for new purposes, such as crane slings. Where the crane work is heavy, elevator cables are particularly useful.

In the mechanical industries there is practically no left-over metal but can be used to good advantage. Scraps and trimmings from heavy punch presses can be made into good washers. Cutting tools that have been resharpened time after time can be made

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System and Bill Symonds

What Counts in the Besse-Avery Store is Not Volume, But the Number Of Units Sold—How Many Suits? How Many Shirts and Pairs of Shoes?

By JAMES A. McDONALD



Furnishings section, Besse-Avery Company. The man on the right is William L. (Bill) Symonds

For East is East and West is West,
And never the twain shall meet—

BUT THIS STORY shows that Kipling, if he meant to set down an axiom, took in entirely too much territory. His rule may have held for the Orient and the Occident; but it falls down in the United States of America. For this is a story of how two merchandisers that came out of the East and went to the West are proving day by day, not only that East can meet West, but that from the meeting the East may profit and prosper and the West may be served and pleased. This is a story, too, of another meeting—of the confluence of technique and personality into the stream of retail success.

William H. Avery had been in business in Portland, Maine, associated with Lyman W. Besse, merchant of many interests with a home in Springfield, Massachusetts, and a chain of partnerships in retail clothing establishments throughout New England. Mr. Avery went westward half-way across the continent and on Main Street, in Kansas City, Missouri, he set up a retail clothing store. He took with him Alfred D. Woodbury, whom he had taught the science of retailing in Hartford, Connecticut. The name of the Kansas City venture was the Besse-Avery Company, with Mr. Besse as the senior member of the firm, Mr. Avery as the resident junior member and Mr. Woodbury as the store manager. But all this was fifteen years ago, so all this is history.

This Besse-Avery Company of Kansas City has grown. Today the store occupies its own three-story building. It has built a reputation. In the clothing trade it is known as an exceedingly well-managed enterprise. A certain retail clothier, himself an executive in another big and successful establishment, once expressed this frank and sportsmanlike opinion: "If the Besse-Avery Company were to operate on *our* basis of prices, with *their* methods, they'd be guilty of flagrant profiteering; and if we were to try to operate on *their* basis of prices, with *our* methods, we'd go broke." And yet this Besse-Avery Company has profited and prospered. How?

If fifteen years of effort and achievement can be summed up in a paragraph that explains success, then the Besse-Avery Company has succeeded because it has had, from the start and always, a definite purpose and because it has shaped its whole course of action, from the formulation of general policies to the day-to-day planning of the details of its operation, toward that one purpose. And that purpose has been turnover.

"A yearly increase in gross sales is a fine thing, a desirable thing, and, as we look at it, a normal thing," Mr. Woodbury explained, "but what I want to know is: How many more suits of clothes, how many more dozen shirts, how many more pairs of shoes, how many more units of every kind of merchandise in the store, did we sell this year than last?" With prices soaring and dropping as they have soared and dropped during the past two or three years, gross sales may mean but little; but units sold mean much.

First, then, in the Besse-Avery store there is no such thing as a stockroom. In the Besse-Avery view of things goods are sold, not from a storage room in the basement or from a warehouse across the alley, but from the shelves in the shoe department, from the showcases in the haberdashery section, from the ranks of sliding racks in the clothing department. Why load up with merchandise when you can always get more? Order a hundred suits instead of five hundred. If the hundred sell, order a hundred more. Duplicating orders of quick-moving merchandise instead of season orders of doubtful goods—that is the Besse-Avery rule of buying.

A department head comes to the store manager with a memorandum slip on which he has written four lot numbers. "We need more of these," he says. The manager scans the list. "How about this first one?" he asks. "do you know that it will sell?" "Sure of it," says the department head. "we're selling a lot of them." "How about the others?" the manager asks. "Well," says the department head, "they're pretty slow movers, but I thought we'd better get some more in." "Cross 'em off the list for now," says the chief, "and we'll put the money for them into the first one—the one you know will sell."

Every department manager is held responsible for the stock in his department. Up in the offices of the store on the mezzanine floor each department manager has his own two files for correspondence and records that concern stock. In one file are the orders and letters concerning orders; in the other are the invoices and records of receipt of merchandise. When an order goes out to a manufacturer,

wholesaler or jobber, the department head files a copy of that order in his order file; when a shipment of goods comes in he checks the shipment and the invoice against the order. No order goes out without the approval and the signature of Mr. Avery or Mr. Woodbury; even when a buyer goes to Chicago or to New York to market in the spring or fall he must have that approval on his purchases. But within each department the man that is held responsible for keeping that department shipshape as to its merchandise on hand is the department manager.

Every department manager knows the condition of his stock. He knows, besides, something else; he knows the condition of his sales. And that takes us into a discussion of the Besse-Avery store system.

In the first place every sale made in the store is a cash sale; and, in the second place, every sale, cash though it be, is recorded—and recorded in quadruplicate.

Mr. Lay, who is behind the counter in Section D, which is furnishings, sells a tan linen shirt to a traveling man who has learned to pass up silks. The traveling man tenders in payment a ten-dollar bill. Mr. Lay snaps open his sales book with a dexterity born of practice and therein he writes a record of the sale. His pencil works but once, but the carboned paper in the sales book repeats that record three times. Three slips come out of the book; one remains between the covers. Of the three that come out, the original, the topmost, is a divisible thing, perforated across its middle. The lower half is to go into the package with the shirt; it is the customer's permanent record of his purchase. The upper half Mr. Lay hands to the shirt-buying traveling man with the direction: "Please present that at the central desk and you'll get your package and your change."

Then Mr. Lay delivers the traveling man's new shirt, the ten-dollar bill, the lower half of the original of the sales check and the two copies of that check to the comely young woman called the inspector who looks down from the somewhat lofty eminence of the central desk, out in the center of the store.

Mr. Lay returns to his counter to fulfill the desires of another customer who would purchase a couple of pairs of pajamas, the while the traveling man, having sauntered over to the central desk to get his package, opens a conversation with the high-perched inspector concerning the civic advantages of Kansas City with a view to leading the talk around to telephone service and telephone numbers. But he finds her a busy and efficient young woman. She is concerned with that shirt and that ten-dollar bill and those three checks.

FIRST, she makes sure that the merchandise and the money correspond with the checks—one shirt at $5.20; charge on the checks, $5.20; amount received, $10; all's well. She wraps the shirt. Into the outer wrappings of the package, so that it will show for identification, she slips the original of the sales check. Into a carrier she folds the two copies of the check and the ten-dollar bill and she sends the carrier scurrying to the cashier up on the mezzanine floor. The cashier, too, makes sure that all is well—that the amount received in money corresponds to the amount as recorded by the salesman. Then she tucks the ten-dollar bill into the cash register, intrusts $4.80 and one copy of the sales check to the carrier, and sends that busy little traveler back to the lofty lady of the central desk.

She of the central desk draws forth the $4.80 and the returning copy of the check and says to the waiting traveling man, "Your slip, please." The traveling man recalls where he is, says, "Oh, yes," and passes up the bit of paper that the salesman gave him. Then the lofty lady compares serial numbers. The customer's slip displays the number 32089; so does the copy of the check that came back from the cashier; and so does the original of the sales check, which, it will be remembered, has been tucked into the outer wrappings of the wrapped-up shirt. The carrier has brought back $4.80. The customer's slip shows that that amount is owing him as change for his ten-dollar bill. All's well. The traveling man gets his shirt, his $4.80, a polite "Thank you" from the inspector—and the open air. What has happened?

A sale has been made, recorded and checked, all in less time than it has taken to describe the process. Because the transaction has passed under the eyes of three persons—the salesman, the cashier and the inspector—the chance for error has been minimized.

Time has been saved, and saved for the most valuable individual in the store—the salesman. He is the individual whose time and whose space in front of his counter, in the Besse-Avery creed of merchandising, should be devoted to the selling of goods; for he is the chap that produces turnover. While the traveling man has been out of the way and haunting the vicinity of the central desk, Mr. Lay, in furnishings, has sold two suits of pajamas, two neckties and six collars and three pairs of silk-and-linen socks to three other customers.

With just this system, with the one young woman at her central desk handling the sales of furnishings and with a man at another desk performing a similar function with reference to the sales of clothing, the cashier up on the mezzanine has taken in, on a single Saturday from the ground floor of the Besse-Avery store, the money of 2,200 customers, and all this without a single error.

Three copies of that sales check for the traveling man's shirt have been accounted for. One, it will be remembered, was retained by the salesman; one—the original—went out with the traveling man; one came to rest at the central desk. The fourth remained with the cashier up there on the mezzanine. Suppose we trail it.

The cashier, it develops, has impaled the check on a spindle. The spindle is devoted exclusively to impaling checks from Department D, furnishings. The cashier has other spindles that specialize, each, in the checks of some other department. All day long the spindles collect checks. At the end of the day the salesmen's sales books, in the back of which each salesman has listed and



"Your slip, please"

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totaled his day's sales, come up to the office. Next morning, up on the mezzanine, a young woman with a liking for statistics denudes the spindles, checks the segregated checks against the salesmen's figures, and then totals the amounts.

She totals the checks first as to individual salesmen. Then she groups these individual totals as to departments and lists them on a long sheet of paper. At the end of that operation she has a total of the day's sales for the store. Meanwhile she has segregated war-tax collections as recorded on the checks, and she has a total, too, of these items. Besides, as she goes along, she records the day's refunds to customers—for which her medium of information is a little stack of pink slips from the cashier—and she charges each refunded amount against that day's total of the individual salesman who had made the original sale.

From the list and from the totals, postings are made to three permanent records. One of these is a daily recapitulation of the store's affairs in sales and expenses. It is a wide sheet of paper, this daily summary of business, and divided down the middle. On the left are posted the day's sales, on the right the day's itemized expenditures. The difference, of course, is the day's net receipts. A useful device, that daily record, for a store management that watches—as does the Besse-Avery management—the daily ratio between sales and expense.

The second posting is to a departmental record. This is a most precise and categorical sort of book that shows what Department D, and likewise every other department in the store, has sold every day—last Tuesday and a month ago today and a year ago. You cannot dismay that well-posted book with any sort of question about how the departments are running.

Finally, the third posting is to an individual record of salesmen. Every salesman's sales for every day that he has been in the employ of the store are in that book. By that record every salesman knows, as does his department manager, just how well he is doing; he knows whether he is going ahead or is being carried along in the eddy behind the organization; whether he is producing turnover or overhead.

As the Besse-Avery Company regards the matter, you can systematize a store until, theoretically, it will run itself as does an automatic machine. But if your machine lacks a moving force, lacks power to turn its finely fashioned members, it will not run at all. The power that runs a store, in the Besse-Avery opinion, is human power, personal effort, personality.

Personality, in the Besse-Avery store, begins operating on a customer the instant that he steps foot inside the entrance. A doorman meets him. The customer thinks that the store is merely being polite. What the customer doesn't know is that that doorman knows more about character analysis than the professor that wrote the book. What the customer doesn't know and doesn't suspect is that that doorman, with one glance at him, has cataloged him and picked, mentally, the sort of salesman that best can deal with the customer's particular type. Thus it is that, when the doorman, after one question addressed to the customer, turns to the clothing section and calls, "Mr. Soandso, a suit of clothes, please," it isn't because Mr. Soandso happens to be unengaged, but because Mr. Soandso is the one man in the clothing department best qualified to sell that customer.

Is the customer a middle-aged citizen, quietly dressed and conservative-looking? The doorman knows that in the clothing department there is a salesman who, without make-up, could play the banker in the movies. Does the customer bring his wife along? Usually, if he comes for a suit, he does. The doorman knows which of the clothing salesmen can best sell to women. Is the customer a young chap, fostering an incipient mustache and the probable but secret belief that he is a twelve-o'clock feller in a nine-o'clock town? The doorman knows of a salesman, on guard among the clothing racks, who could pose for clothing posters.

THAT doorman takes no chances; he takes nobody for granted. The author of this article, gathering his material for this chronicle, went in and out of the Besse-Avery store so often that everybody in the place came to know that he wasn't a customer, but merely an innocuous visitor; and yet, every time he went in, the doorman met him and courteously questioned him.

The doorman has a little notebook. It is an inconspicuous thing that he can hold in the palm of his hand. But in that little book he keeps a record of all the visitors to the clothing department, which is immediately behind him. You come in, a customer. You admit to the doorman that you need a suit of clothes; probably that observant individual would know it, without your telling him, but he makes no rash conclusions. He turns toward the clothing section and calls a salesman's name. You pass on. But the doorman, in his little book, makes a mark—one-half the letter X—after the name of the salesman to whom he has sent you. If you buy a suit, the doorman, when you go out, completes that half-made X. If you walk out without buying, the original mark remains.

Similarly, if you go into the furnishings department, or go upstairs to buy a pair of shoes, somebody records your call against the name of the salesman that confronts you and notes in the record whether the salesman sold you or lost you.

At the end of the day the doorman tears the page out of his little notebook and takes it up to one of the statistical young women on the mezzanine. She posts it to a daily record. She also posts a similar record for the furnishings and shoe departments. Then, for each of the salesmen in the three departments, she figures the percentage between sales opportunities and actual sales. She is concerned, not with amounts but with chances; not with home runs but with batting averages. It is upon those averages, expressed in terms of percentage, that the Besse-Avery Company pays bonuses.

That chronicle of calls has another use; it serves as a record for clinics in salesmanship. Not a sale is lost in the Besse-Avery store without an analysis into the causes of that loss. When a department head, discussing salesmanship with one of his salesmen, needs a concrete example, he always recalls a specific sale that got away. Find out why it got away, remember the reason, and the next opportunity like it will go into the cash register, instead of out the door.

But still there remains that personal equation—that consideration in management that goes beyond all manner of system, all totals and summaries and all percentages. System, in the opinion of the Besse-Avery Company, is not the end but merely the means to the end. System is the instrument and not the achievement.

The manager of this Kansas City clothing store has no office of his own; he doesn't want an office. He has "desk room" up on the mezzanine floor, where he answers letters when Mr. Avery is away. But the manager's opinion is that his place is "down on the floor" among his men. The Besse-Avery Company trains its own salesmen and develops its own department heads; it teaches salesmanship, store system and all the other phases of merchandising in the Besse-Avery way.

The manager told me two stories. One morning, several years ago, it happened that the junior partner and the store manager stood chatting together, just inside the front door. A man walked in, a stranger; he approached the two executives and said he wanted a job. He had come from Maine, the stranger said. He wanted to work; he believed he could sell merchandise. His name, he said, was Symonds—William L. Symonds.

Just then another man came in, this one a customer. He, too, approached the group near the door. He desired to buy, he said, a fiber suitcase.

(Continued on page 30)

Addressograph Free Trial



$57.50 F.O.B. Chicago Buys It!



Let It Win Sales-- and Prove the Saving Before You Buy

FIND out how the Addressograph will build *your* business and save money! Profit by the experience of Addressograph users everywhere.

"Through our timely advertising made possible by the Addressograph, we have increased our capital from $50,000 to $500,000 in three years."
—*J. H. Williams Company, Wholesale Grocers, Washington, D. C.*

See the Addressograph produce typewriter-style addressing at a few cents per thousand. Ten times faster than hand-writing. Mistakes impossible. Prints from indestructible one-cent metal address plates "typed" by any clerk. Or we promptly make them for you at our nearest service station.

Same Addressograph cuts cost of "writing" names, dates and other data on sales—advertising—collection—pay roll and other work.

Keep It or Send It Back—but Find Out

You need the orders it will get for you and the money it will stop wasting in your office. And you can prove it before you buy.

So mail the coupon now! Have the Addressograph Man demonstrate the Hand Machine he carries with him. Or have one sent to you for *free trial*. There's no obligation! If you don't want to keep it, send it back to us freight collect.

GENERAL OFFICES: 905 Van Buren St., Chicago

SALES OFFICES AND SERVICE STATIONS

Allentown, Pa.	Chicago, Ill.	El Paso, Texas	New Orleans, La.	San Francisco, Calif.
Albany, N. Y.	Cincinnati, Ohio	Grand Rapids, Mich.	New York, N. Y.	Seattle, Wash.
Atlanta, Ga.	Cleveland, Ohio	Houston, Texas	Omaha, Nebr.	Spokane, Wash.
Birmingham, Ala.	Dallas, Texas	Indianapolis, Ind.	Philadelphia, Pa.	St. Louis, Mo.
Baltimore, Md.	Denver, Colo.	Kansas City, Mo.	Pittsburgh, Pa.	St. Paul, Minn.
Boston, Mass.	Des Moines, Iowa	Los Angeles, Calif.	Portland, Oregon	Syracuse, N. Y.
Buffalo, N. Y.	Detroit, Mich.	Minneapolis, Minn.	Salt Lake City, Utah	Toledo, Ohio
Butte, Mont.	Duluth, Minn.	Newark, N. J.	San Antonio, Texas	Washington, D. C.

CANADA: 60 Front Street, TORONTO — Ottawa — Montreal — Winnipeg

MAIL THE COUPON, WIRE, 'PHONE OR WRITE

Mail This Coupon WITH YOUR LETTERHEAD

To Addressograph Co., 905 Van Buren Street, Chicago

- ☐ SEND ON APPROVAL HAND operated Ribbon Print Addressograph for 10 days' free trial. If we don't keep it we will return it at your expense.
- ☐ HAVE SALESMAN DEMONSTRATE the Addressograph he carries with him.
- ☐ SEND 1921 CATALOG AND PRICES with samples of 1c Blank Plates.

We are interested for:

- ☐ Direct Mail Advertising
- ☐ Filling in Letters.
- ☐ Collection.
- ☐ Payroll.
- ☐ Dividends.
- ☐ Office Records.
- ☐ Tags and Labels.
- ☐ Routine and Scheduling.

For Free Trial Now!

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Here comes the bride

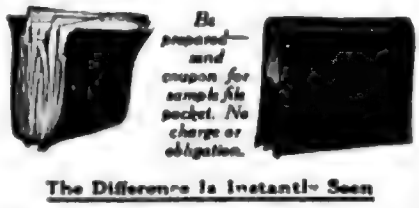
very often means—"There goes my file clerk."

Could a strange clerk enter your filing department and find important papers instantly as it is very often necessary to do? Would she be handicapped with bulging *flat* folders.

Preparedness is always the best policy and preparedness in this case means using

Vertex
VERTICAL-EXPANDING
File Pockets

They are always upright in the filing cabinet with the index tabs in plain view. The bellows-like expansion cares equally well for the minimum and the maximum number of letters. Made of "Paperoid," the pure red rope stock, to outlast twenty ordinary flat folders.



Be prepared—send coupon for sample file pocket. No charge or obligation.

The Difference Is Instantly Seen

ALVAH BUSHNELL CO., Dept. B
Durable Filing Containers
925 Filbert St. Philadelphia, Pa.

—CUT HERE—

Please send for examination and trial a free sample of BUSHNELL'S "VERTEX" Paperoid File Pocket, as described in June BUSINESS.

Name of Firm _____

Address _____

Name of Person Inquiring _____

Letter size or Legal size desired? _____

If special size is required, send sample of sheet to be filed, and give width and height of drawer.

To Alvah Bushnell Co., Dept. B
925 Filbert Street Philadelphia, Pa.

Store of a Thousand Heads

By J. W. SAYRE

TURNING their mammoth department store completely over to the men and women working for them so that a big special sale might be "put over" to the best advantage and then sitting back on the side lines and just watching how things went was a recent experience of the executives of the Bon Marche, Seattle. It was an experiment, but heavens, how it worked!

It reminds one of a speech that George Ade once made when he joined one of his shows, after a long absence, in Boston. "Whenever I stay away from the show for a while," said George, "and then come back to it, I notice it is wonderfully improved."

To get the proper angle on things, it should here be stated that the Bon Marche is one of the largest mercantile establishments west of the Mississippi, covering a full city block with buildings half a block deep and from seven to nine stories high, and employing from 950 to 1,150 persons, according to the season.

Under the ordinary procedure of expert executive direction, any Bon Marche sale might safely be figured in advance as a success. But some profound psychologist away up in the store councils developed the idea of first "selling the sale" to the employees, reasoning that if they first grasped the idea in full they would give it their whole-hearted support and co-operation, making things a certainly so far as the public was concerned.

The first step was to have the president of the Employees' Association appoint a committee of four members of the Council, an employees' organization, and four managers from merchandise departments. These eight held a number of meetings and developed valuable ideas for the sale. The merchandise office was instructed to select all the goods for the sale, but a committee of three inspected every lot of sale merchandise and saw that, although it was new and seasonable goods, it was marked at a sale price.

The committee worked right through the sale. Every day it went up and down the aisles—every aisle—seeing that all goods in quality, price, quantity and description fitted the advertisements. The committee also made the rounds of Seattle's other department stores and made sure that the Bon Marche was selling at the lowest figure of all. The committee kept the store's buyers up on their toes every minute of the sale.

On the Saturday night before the sale started all of the thousand employees were guests at a dinner given by the board of managers in the store's big cafe on the sixth floor. It might be stated—in fact it has been stated—that the best way to a man's heart is through his stomach. This must apply to feminine stomachs as well, for the Bon Marche always has found that a dinner means a 100 per cent turnout of employees.

Anyway, they were all there that Saturday night and after a real dinner they listened to inspiring talks by the merchandise manager and the advertising manager. These two men told what they expected of the employees, and emphasized the fact that the latter were handling the sale without any interference from the mere owners.

Odd vaudeville, the oddest Seattle ever has seen, proved the hit of the evening. On a platform erected in the cafe, each department put on a skit, lasting from three to five minutes, featuring the merchandise it was to offer. These thumbnail sketches not only were highly clever and amusing, but showed everyone the splendid values that would be offered by every department throughout the store.

In compliance with a recommendation by the main committee, certain sections of the store were featured on certain days in the center of the ad. The ready-to-wear had a day, house furnishings a day, piece goods a day, and so on. The other departments advertised were cleverly selected from different floors and different corners of the huge establishment, it being figured that in this way customers would be induced to circulate throughout the store instead of congregating at one or two places.

One of the most interesting and effective schemes was that of having four-minute speakers—"soap-box orators," they were called—who, each morning four minutes before the store opened for customers, went to different parts of the store and talked to the salespeople. These speakers were chosen by the main committee and were selected from all sections of the store. After they served four or five mornings, each one taking a different floor each morning, their places were taken by others.

The soap-box speeches were mainly inspirational, although some of the speakers analyzed and discussed samples of the merchandise that they considered especially good bargains. The speakers got their soap boxes at the merchandise manager's office every morning and on their arrival at the several departments, the floor superintendent would immediately gather all

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persons from that section of the building. At the end of the four minutes, back went the soap boxes to the merchandise manager's office. The outlines of these speeches were prepared by a sub-committee of the main committee. Their principal object was to keep up enthusiasm throughout the sale.

The department attaining the greatest percentage of increase of sales as compared with sales for the corresponding day of the preceding year received a gold star. The department showing the largest increase in money received a silver star.

It happened that the umbrella department won the first three gold stars because the first three days of the sale were stormy and rainy, while the corresponding days of the year before were fair. The stars created much interest and a visitor touring the store would have seen them hanging in prominent places—on mirrors, on wires dropped from the ceiling and on wires stretched across the department.

The sale lasted three weeks. At the end of that time the board of managers told the world, literally and figuratively, that it was the most successful sale the store had known. Already they know they're going to do it again some day before long.

The Dividends of Safety

(Continued from page 17)

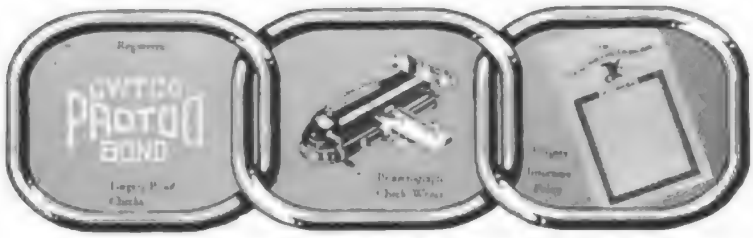
Mr. Bell, of the Safety Council of the Chicago Association of Commerce, "is that when experienced, capable men are taken out of the service for any reason, the employment of inexperienced, incompetent, untaught men is often necessary.

"This situation not only decreases efficiency and production and slows up operation; it also increases the risk of accident to the workers associated with the new men. No matter how thoroughly the workmen in a plant have been trained in accident-prevention and safety methods, the efforts of the company to protect its employees is largely nullified for some time by the entrance of untrained workmen.

"The solution, of course, is to have all the men in all the plants trained along the same lines. This is an ideal condition that is still far from attainment; but we are working towards it."

One of the ways in which business men of several cities of the United States are working towards this ideal is through the establishment of schools for safety. These schools are conducted by local organizations of the National Safety Council as departments of the associations of commerce in the various cities.

The National Safety Council is a voluntary, co-operative, non-commercial association of employers and



The First Complete System for Preventing Check Frauds

All common forms of fraud affecting the signer of a check are prevented by the Todd Anti-Forgery System.

(a) Changing the amount; (b) changing the names or endorsements; or (c) forgery by "counterfeiting" or duplicating genuine check forms.

Protectograph
Anti-Forgery System

backed by an iron-clad forgery-insurance policy, issued gratis to each user of the System, positively insuring *the user and his bank, jointly.*

The Protectograph Check Writer

writes and "shreds" the amount in Dollars and Cents—(in words, not figures)—exact to the penny, in two colors—a complete word to each stroke of the handle. (Todd Two-Color Patents.)

PROTOD Forgery-Proof Checks

drafts, and other negotiable instruments. Prevent altering names or any written or printed portion of the document without instant detection. PROTOD is registered, accounted for and safeguarded like Government silk-thread bank notes.

EXACTLY FIFTY ONE DOLLARS SIX CENTS

Imprint of the Protectograph Check Writer Amount Line—Amount words red, denominations black. Two colors (Todd Patents)

If you have any funds in charge send this coupon for the vividly written story of check swindlers' methods by a famous "scratcher" now in State prison. Enclose your business card or letterhead with the coupon.

Todd Protectograph Co.

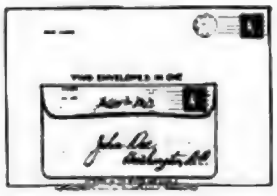
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World's largest makers of check-protecting devices and forgery-proof checks

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Todd Protectograph Co., Rochester, N. Y.
FREE, please send "Scratcher Sends a Warning" and description of the Todd Anti-Forgery System.
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Increase Sales with Duplex Envelope!

Sales increased 25 PER CENT by sending catalog and letter in the
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The DUPLEX ENVELOPE carries your letter and catalog or merchandise sample *under one cover* and *with one address*, so that both reach your prospective customer's desk at the same instant. Insures 100 per cent delivery to the right man. A Time Saver, a Labor Saver and a Trade Winner. Made in the exact size you will want. Thousands of satisfied users. Send for samples and prices *today*.

The Duplex Envelope Co.
23 N. Michigan, Chicago, Ill.



It is Easy to Locate Men With Autocall Signalling Systems



"Yes, Mr. Devoe, I'll get Mr. Parker at once. He doesn't answer his 'phone, so I'll Autocall him for you."

"Mr. Parker will be right in," the telephone operator said, turning to the visitor. "We have installed the Autocall Signalling System since you were here last, so I was able to locate him immediately.

"Simple and quick? Yes, of course, for it is entirely automatic and I don't have to 'phone every office and department when I'm hunting Mr. Parker, for instance. That always disturbs so many other people.

"Each official has a code number that corresponds with a number on the Autocall Central here at my elbow. When I want to reach an official, I merely insert a plug under his number on the Central and his code call is sounded simultaneously from signal stations throughout offices and factory.

"In the offices we have soft-toned bells or buzzers; there are gongs in some of the factory departments and even whistles in departments where there is lots of noise. They are all operated from the Autocall Central right here by my switchboard.

"When the official I am calling hears his signal, he goes to the nearest 'phone and I tell him what is wanted or connect him with the person telephoning him.

"Oh, here is Mr. Parker now; see how quickly I got him? The last time you waited half an hour and missed your train, remember?"

We'd Like to Write You a Personal Letter Telling Just How the Autocall Will Aid You in Finding "The Missing Man"

THE AUTOCALL COMPANY
210 Tucker Avenue **Shelby, Ohio**

"THE MECHANICAL FINDER OF MEN"

Conserves Time for Executives — **Autocall** — *Improves Telephone Service*

(CO)

Industrial Fire Alarm and Special Signalling Systems

VERTISING SECTION

others. Starting in 1913 with forty members, it now has a membership of more than 4,100 factories, railroads, mines and public service companies. Its service includes the issue of weekly bulletins to members, a library and bureau of information, safe-practice pamphlets, motion pictures and slides and safety calendars. Each year it holds an annual Safety Congress. The most recent session, which was held in Milwaukee, was attended by more than 5,000 persons.

The Schools for Safety conducted by the Safety Council local of the Chicago Association of Commerce may be considered as typical. One is for foremen, the other for safety supervisors. Together, they have an enrollment of more than 1,500.

The foremen's school, with an enrollment of 700, is run on the theory that the foreman is the key man of safety promotion, that if you want to make a success of accident prevention you have to line up the foremen and keep them lined up. The course is designed to get the foremen to pulling together and to give them a chance to swap ideas, plans and methods. It consists of ten sessions, one every third Thursday, each dealing with a definite phase of accident prevention, such as electrical hazards, safeguards and bulletin boards. It is free to all employers in the Chicago manufacturing zone, and is open to foremen, superintendents, safety department employees and anybody else who cares to come.

The course gives a triple dose of instruction at each session—by correspondence, lecture and round-table discussion. Take a typical class, a meeting to discuss the subjects of safe clothing and protection to the eyes.

First, the enrolled foreman—we'll call him Tom—receives at his home a printed pamphlet several days before the meeting; it contains a synopsis of the lecture. Tom reads this over. Not only will it make the subject matter of the talk likely to stick in his mind longer, but it gives him the material of the course in permanent form.

Thursday night Tom goes down to the Chicago Central Y. M. C. A. to hear what F. M. Rosseland, who happens to be the lecturer for the evening, has to say about goggles and overalls. Mr. Rosseland makes it interesting. He is an expert of national reputation—as is every speaker who talks before the schools for safety—and puts his information over in snappy, concrete form. Frequently he illustrates his points with practical demonstrations.

When he has concluded the men sit around and smoke, ask questions and swap experiences. Tom rubs elbows with a good many fine fellows with

whom he has much in common; he learns considerable, and he has a good time in the bargain. The meeting lasts two hours.

That's one session of the Chicago Foremen's School for Safety. The nine other sessions of the course are similar: noted speakers from the professions and from industry, practical demonstrations, and a sociable time. An idea of the course as a whole may be gleaned from a glance at the subjects covered:

Enlisting the co-operation of the workmen.

Design and construction of safeguards.

The foreman's place in accident prevention.

Educating the workman.

Workmen's inspection committees.

Electrical hazards.

First aid.

General review and experience meeting.

The interest which the Chicago Foremen's School for Safety has aroused is indicated by the large enrollment from representative firms: Commonwealth Edison, 250 men; Chicago Elevated Railways, 75 men; Acme Steel Goods, 26 men; Baltimore & Ohio Railway, 36 men.

The School for Safety Supervisors, which opened in September, 1920, is similar to the foremen's course. It is intended, however, for experts from the larger plants.

One hundred and eighty companies have enrolled 850 men in this course. Managers, engineers, superintendents and safety department employees answer the roll call. Meetings are held on alternate Tuesdays, the course comprising fifteen lectures.

Both courses are in charge of an advisory committee composed of some of the most prominent executives of large industrial firms in Chicago.

The schools for safety, providing inter-plant training in accident prevention, represent the highest development of the safety idea. Together with organization for education in individual plants and the service of the National Safety Council, they provide the means for eliminating the 80 per cent of industrial accidents that cannot be prevented by mechanical safeguards.

"Every accidental death means a funeral, a calamity in somebody's home," says Mr. Bell again, "with a probability that children are denied the things of life to which they are entitled; every injury means a visit to the doctor or the hospital, and sometimes loss of earning capacity."

"Accident prevention is not only good morals and good ethics," Judge Gary has said "but it is also good business."



A Place to Put Their Things

All employes take more or less pride in their personal possessions—and there is nothing that pleases them so well as an individual steel locker in which to keep their street clothes under lock and key during working hours.

MEDART STEEL LOCKERS

Possess many points of superiority that make them the choice of discriminating buyers. Made of smooth sheet steel with welded joints and richly enameled. Multiple locking device operates with one turn of the key. Adjustable legs. Fire, rust and theft-proof. Easily installed. The reasonable first cost is the only cost.

Send for Booklet

It illustrates and describes all styles of MEDART Steel Lockers for offices, factories, stores, clubs, schools and gymnasiums. Inform yourself. Get the facts. Clip and mail the coupon below to our nearest office. We also make Steel Shelving, Racks and Bins for storage, stock-room or office. State if interested.

Fred Medart Mfg. Co.

Potomac & DeKalb Sts. St. Louis, Mo.

New York 52 Vanderbilt Ave.

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Fred Medart Mfg. Co.
(Address our nearest office)

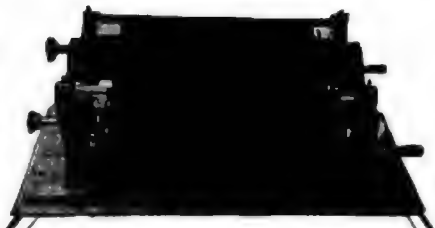
Please send your free booklet describing Medart Steel Lockers. We employ about people.

Firm Name.....

Address.....

Attention Mr.....

We are interested in Steel Shelving, Racks, Bins.....(Please check)



SAVE

your used multigraph ribbons. They can be used over and over again, effecting a considerable saving, if you are equipped with a

HALCO Multigraph Ribbon Re-Inker

The machine pictured above is our latest model Multigraph Ribbon Re-Inker and will replace the ink in your used ribbons in five minutes time at a cost of 7c for ink. So simply constructed that no experience is needed to operate successfully. Guaranteed by us and sold subject to the approval of the user.

Price complete with ink for 48 ribbons—$25.00 Send for this machine or further information NOW

THE SHALLCROSS COMPANY

1450 Grays Ferry Road Philadelphia, Pa.

Catalog of this and other HALCO machines on request



EMERALITES are not merely desk lamps, they are an eye service. Nature made daylight the correct working light—correct in quality and diffusion.

The New Daylight Attachment

constitutes a service to the eyes as well as the desk—changing ordinary electric light into soft eye-saving daylight. Look for name on green glass shade.

H. G. McFADDIN & CO.

43 Warren Street New York City

Makers of Lighting Devices since 1876

EMERALITE

The National Desk Lamp

Ask Your Optician



The Cause of Eye Fatigue Among Stenographers—and What It Costs

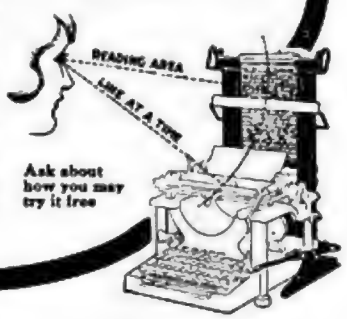
Their eye fatigue comes mainly from reading notes at the side. Such constant strain uses as high as 60% of a stenographer's energy—and this reduced energy means less efficiency in letter writing.

UNLESS YOU INSTALL

The LINE-A-TIME

Line-a-Time corrects side reading. A touch on the lever, like another key on the typewriter controls the notebook for reading from directly in front the same as a newspaper is controlled by the hands.

Line-a-Time operators show a minimum of 5% and often as high as 30% improvement in their work at a cost of about ¼ of 1% of a capable stenographer's salary.



The Line-a-Time Mfg. Company, Inc.
907 St. Paul Street **Rochester, N. Y.**



PATENT APPLIED FOR

Your Office Should Have This Typewriter Desk

It Saves Office Space

Made of one-inch Tubular construction, black enameled, nickel plated feet. Can be adjusted to an uneven floor. Five-ply veneered oak top. Will not warp. Drawer underneath. Strongly built. Will last a lifetime. Paper container has five compartments. Is more accessible than the regular drawer. Operator can reach and pick out what she wants. It is so close that one need not bend the body. Saves from 25% to 50% in office space, which is money.

Write for prices and illustrated folder.

AUTO PARTS MANUFACTURING COMPANY
Makers of Special Tubular Products
1815 Trombly Ave. **Detroit, Mich.**

ADVERTISING of today must do more than build good will, maintain prestige and insure future sales. It must also produce a satisfactory volume of immediate business.

There is no better or more certain method of developing immediate business than through the advertising columns of a magazine concentrating on your primary market.

Business, with its monthly circulation of 160,000 copies going to the best business executives of the country, offers exceptional opportunities to advertisers interested in reaching the rich business market.

Ask the Business Manager for rates and detailed information.

BUSINESS
Burroughs and Second Aves. Detroit, Michigan

System and Bill Symonds

(Continued from page 24)

"Certainly," said Mr. Avery, blandly; then, turning to the newcomer from Maine, the junior partner said: "Mr. Symonds, will you wait on this gentleman, please? The suitcases are in the basement, near the elevator."

"Certainly," said the man from Maine, just as blandly, "this way, please."

And away he went to the elevator, leading the way for the customer. Carrying the two of them, the cage descended out of view. It stopped at the bottom of the shaft. Its door clanged open. A few moments later the door clanged shut again and the cage ascended into sight. Out of it, chatting congenially, stepped the customer and Mr. Symonds. In his right hand the customer carried a brilliantly new, fiber suitcase. In his right hand Mr. Symonds clutched the money. Mr. Symonds, from far-eastern Maine, got a job with the Besse-Avery Company.

Mr. Symonds went into the clothing department. From the start he demonstrated that he could sell clothes, sell them well and sell them rapidly. But one day, looking a little worried, he reported to the store manager.

"I'm not kicking, boss," he said. "Coming out here from the East and knowing nothing about conditions out here, I've expected some difficulties. As time goes on, I suppose, I'll get more used to things and get along better. But just now, occasionally, I seem to have hard sledding."

"For instance?" the manager suggested.

"Well," Mr. Symonds specified, "you remember that you instructed us to get deposits with orders for suits? You said it didn't make much difference what the deposit was, so long as it was something to bind the bargain. Well, I sort of figure that it's pretty hard sledding when you can't get anything from a customer in the shape of a deposit but this."

And on the desk of the manager Mr. Symonds laid a bone-handled jackknife.

I was interested in the further career of Mr. Symonds. "Where is he now?" I asked the manager.

"Who, Bill?" said Mr. Woodbury. "See that man down there on the floor—the one with the mustache? That's Bill Symonds. He's manager of the clothing department now."

No Use to Owner

Advertisement in a country newspaper:

For sale, a secondhand monument, slightly used. Great bargain for a family of the name of Duffy.

—*Boston Transcript.*

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Industry's Moving Day

(Continued from page 9)

prices of things they needed from the East out of their reach.

Eastern manufacturers, on the other hand, generally supported the petition. Additional revenues would permit the railroads to rehabilitate their finances, to replace worn-out equipment and increase their rolling stock, thus clearing the traffic congestion that was still hampering business.

Eastern industry was not in the least dismayed when the Interstate Commerce Commission gave the railroads leave, last August, to increase all rates 35 per cent—an advance far greater than had been expected even by the most optimistic of railroad executives. Traffic congestion was rapidly cleared thereafter and the industries that supported the railroad petition saw reason to congratulate themselves upon their good judgment.

Business steadily increased in volume until, in October, the railroads were handling more freight at the new rates than ever before in their history. When the increases in rates began to be reflected in prices of manufactured products, however, driving them to new high levels, the country counted this advance in the cost of living the last straw and went on what has been called a "consumers' strike."

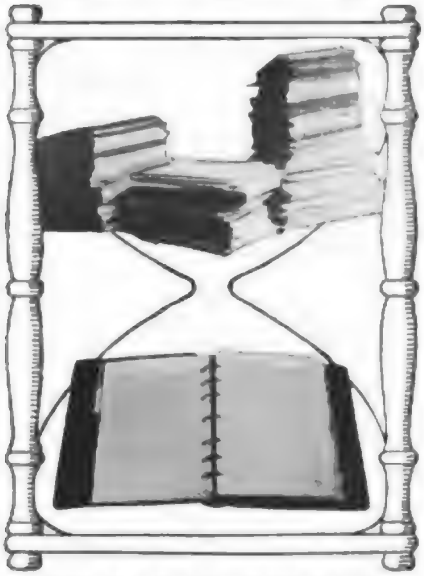
Immediately there was a falling off in business. Car loadings dropped from 1,010,000 for the second week in October to 699,000 for the second week in January. The earnings of the railroads upon the valuation allowed by the Interstate Commerce Commission fell from 4.6 per cent in October to .7 per cent in December. Many roads found themselves earning a deficit.

Almost over night there had developed a condition of over-production. Not that there was more goods—or transportation—available than the country could use, but there was more available than the country could buy at prevailing prices.

The answer to the problem was simple: Reduce prices. But then there arose that more difficult problem: How could prices be reduced? They could be brought down somewhat, of course, by reducing wages. Many industries took this obvious course. It is not a real solution. Sooner or later it must be seen that a condition caused by diminished purchasing power cannot be cured simply by reducing wages, even though the reductions in prices be proportionate.

The real solution, as some industries have already come to see, is to reduce prices by eliminating waste. The greatest of all wastes, as American industry is organized at present, is the waste of unnecessary transportation.

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BUSINESS
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Ten years ago it was a small waste. The multiplication of transportation costs during the war has converted it into a great waste.

The very method by which freight rates have been increased has tended to destroy the basis upon which industry was permitted to concentrate in the East. Percentage increases in rates have so increased the spread between long-haul and short-haul rates as practically to destroy the "postage stamp" rate basis. No longer is it possible to send goods to every domestic market at approximately even costs for transportation.

States west of the Rockies are discovering that the new rates are working out decidedly to their advantage. High transportation costs operate as an internal protective tariff, giving encouragement to local industries by shutting out competition from older and more efficient industries at distant points.

Many new furniture factories are being established on the Pacific Coast. They import hard woods from the Philippines and South America and convert them into desks, tables and chairs to supply the western markets. Grand Rapids, for the first time in all its history as the furniture centre of the Americas, finds itself unable to compete, because of the high freight rates. Even the "movies" have taken to manufacturing their own furniture, rather than buy it in the East.

Before the war Seattle depended to a considerable extent upon its shipyards to keep its people employed. The slump in the shipbuilding business would have been disastrous for Seattle were it not for the fact that hundreds of small industries were started during the war, when no cars could be got to ship manufactured goods from the East to Seattle. These enterprises have thrived under the protection of high long-distance transportation rates, until today they employ more men than the shipyards ever employed.

In manufacturing industries that can be operated profitably in small units, requiring little expensive machinery, the process of decentralization is already apparent. Combinations in industries, whose raw materials are widely distributed throughout the country, are faced with dissolution more complete than ever has been enforced by any court.

Industries requiring heavy capitalization and huge organizations will be influenced by the high freight rates to move, not so much to their markets as to the richest sources of their principal raw materials, where one long haul can be eliminated and their operations can be conducted more efficiently.

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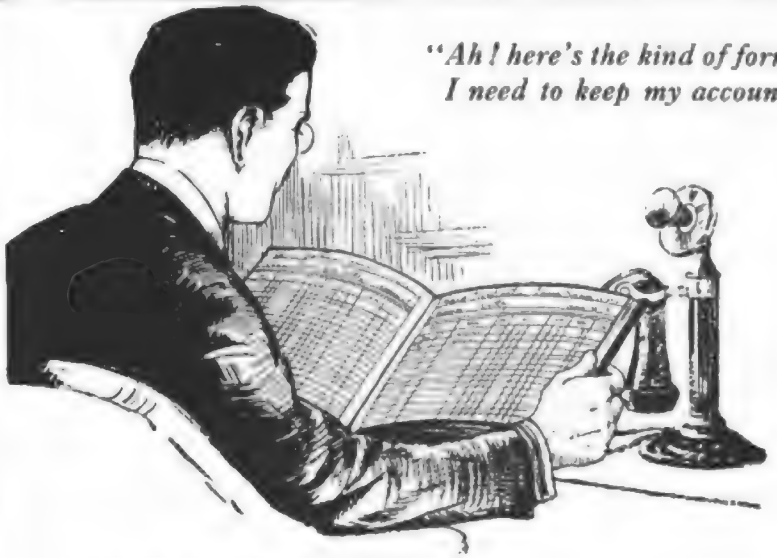
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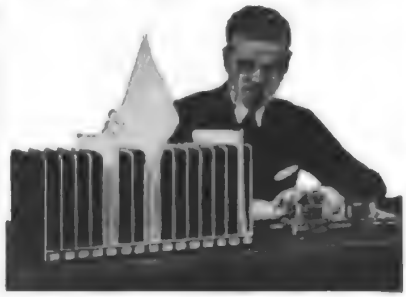
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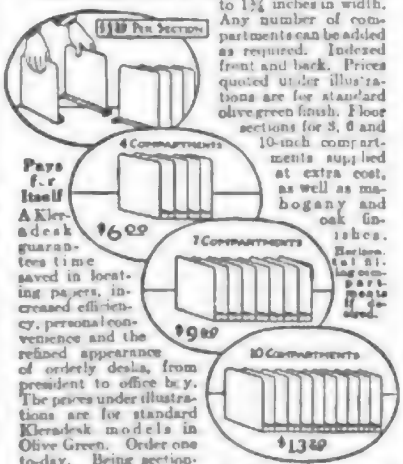
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from the Superior beds, smelted near the docks and put through the various processes of manufacture without re-heating.

The steel industry, 70 per cent centralized at Pittsburgh, has sought to protect itself against just such influences toward re-location as are now at work, through an admirably calculated device known as the Pittsburgh basing system. The system was accepted by the entire industry soon after the United States Steel Corporation was organized in 1901. Under it, the price of steel, wherever manufactured and wherever sold, is the price prevailing at Pittsburgh plus freight from Pittsburgh.

Fabricating plants at Chicago are thus compelled to pay the Pittsburgh price and the fictitious freight, although one-fifth of the entire steel output of the country is produced in the Chicago district—and produced at lower cost, it has been asserted, than at Pittsburgh. Whether long-haul freight rates are high or low, it is obvious that the steel industry will not be materially affected so long as this system remains in force.

The Federal Trade Commission, however, now has under consideration a case brought by southern and middle western steel fabricating and manufacturing industries looking to the abolition of the system. The possible results have already been forecast by the steel manufacturers themselves. The following is from a brief submitted before the Federal Trade Commission by a Pittsburgh steel company:

"This would mean tearing down in one district and building up in others without changing the country's total steel production, and would also result in a depreciation and in some cases the destruction of industries built up in the Pittsburgh district to supply the needs of the iron and steel mills located there. A change would depreciate investments in the Pittsburgh district and necessitate new and additional investments in other districts."

In other words, the steel industry at Pittsburgh would become subject to the decentralizing influences of high long-distance transportation rates as soon as the fictitious freight charges on steel produced elsewhere were outlawed. Prices for steel produced near western and southern markets would be lower in those markets than those for steel produced at Pittsburgh. Mills in these districts, which at present produce only 5 per cent of the steel output, would be developed and the prestige of Pittsburgh would decline.

The necessity for eliminating every possible long-distance haul, while it is the dominant influence, is by no means the only present influence toward industrial decentralization. Wastes of man power and of machine power,

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resulting from concentration of manufacturing in the East, are other factors of almost equal importance.

The General Electric Company has concluded that congestion in large bodies in comparatively restricted areas is not good for its employees. It is devising a plan to decentralize its works, sacrificing as few of the advantages of large-scale production as possible, and believes that the plan will speed up production and benefit the workers.

The last remaining disadvantage of western location has been removed by the leveling down of western wage scales to eastern standards that prevailed during the war. A very great advantage has been added by the recent action of Congress in throwing open western water power sites, under jurisdiction of the federal government, to private development.

The center of the nation's potential water power supply is in Wyoming; the center of the present demand for power is in Ohio. Ultimately large users of power must move to the largest sources of supply. The movement will be hastened by high freight rates on coal for the generation of steam power, by recurrent coal shortages and by the resulting high prices.

The new hydro-electric machinery developed during the last twenty years not only affords a new source of cheap power, but saves an immense amount of labor. Experts estimate that one man's labor is released for other employment by every fifty horse power developed. There is the additional advantage, in these days of labor unrest, that falling water does not go on strike.

The best example of a new plant admirably situated to utilize all possible advantages under present conditions, is that afforded by the new Goodyear branch factory at Los Angeles. All unnecessary long hauls by rail have been eliminated. Rubber from Java will be unloaded at the Los Angeles piers within trucking distance of the factory. Long staple cotton for tires will be brought from the company's 10,000-acre farm in Arizona. Coal haulage is made unnecessary by the use of hydro-electric power. The factory will employ 2,000 men.

The market for tires on the Pacific Coast is enormous. California's population has increased the last ten years by a million, and every eleventh resident has an automobile to run over its thousands of miles of good roads. The factory's output will be distributed up and down the Pacific Coast by boat and in California by truck. What remains after the Pacific Coast is supplied will be exported to the rapidly developing markets of the Far East.

The grip of New England upon the textile industry is being loosened not



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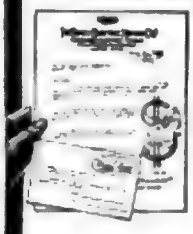
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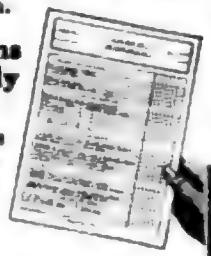
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only by the South, but also by the West. Woolen mills established in Oregon, near the sheep-raising country are rapidly taking up the western market for blankets, and are competing with eastern mills on even terms in the markets of the Middle West.

The possibility of a business boom may seem remote at present, but there is sufficient demand for goods throughout the world to keep American industry booming for years. It is necessary only to find a workable plan under which the need for goods can be filled by the United States without immediate cash payment.

Given the boom that would result from the adoption of such a plan there soon would be a recurrence of traffic congestion. And with traffic congestion the pressure to re-location upon industries hampered in getting raw materials and getting their products to market would be re-doubled.

There will be little increase in railroad mileage during the next ten years. Railroad expansion probably will take the form of gradual electrification, thus relieving the railroads of the burden of hauling coal for their own use. At present they use one-third of the entire coal output. The gradual re-location of industry not only will eliminate unnecessary transportation, but will vastly increase the facilities available for essential transportation.

The present is a real transition period for industry and for the railroads. Neither protective tariffs nor reductions in wages will bring it to an end. It will have run its course only when the industrial fabric of the nation has been re woven upon more logical lines and wastes have been eliminated. When that has been accomplished the United States will be a more prosperous and more evenly developed nation—and its people may look back upon the high railroad rates that started the process as a blessing, rather than a misfortune.

Syrup of Sweet Potatoes

The morning stack of buckwheats may soon be flavored with a delicious sweet potato syrup if it can be manufactured as economically as other syrups. The United States department of agriculture has established an experimental station at Fitzgerald, Ga., to find out about it.

Dr. H. C. Gore, of the bureau of chemistry, worked out the laboratory process of making the syrup. It is brown in color, rich in sugar, and is said to be easy to consume. But it has not yet been determined whether it can be produced cheaply enough to compete with cane, corn and other syrups.

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When Bookkeepers "Ruled Their Own"

BACK in the days when quill pens scratched and spluttered, it was not possible to buy journals, ledgers, and day-books with ruled pages. When columns were needed, bookkeepers had to "rule their own."

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National Loose-Leaf Books are used in the accounting departments of such institutions as the Delaware, Lackawanna & Western Railroad, United Fruit Co., and Henry L. Doherty & Co.

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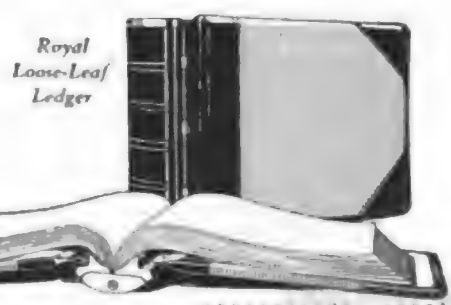
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NATIONAL BLANK BOOK COMPANY
109 RIVERSIDE, HOLYOKE, MASSACHUSETTS

EVERY accountant and every purchasing agent ought to have our book, "Ready Records for Accounting." It's free—ask your stationer for a copy. If he cannot supply you, write us.



Royal Loose-Leaf Ledger

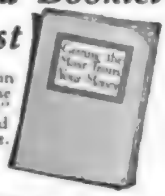
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The basic Law of Action-Reaction governs both speculative and investment markets. While it is impossible for any one to anticipate "day-to-day" ripples, the great major movements are regular almost as the tides themselves.

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Based on fundamental statistics, Babson's reports carefully forecast these major movements. They enable you to find the real "buys" at low tide—to sell out as your holdings reach near the peak—and then to buy in again at close to bottom prices.

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Roger W. Babson's Statistical Organization
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(Suburb of Boston)
The Largest Organization of Its Character in the World

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Write Roger W. Babson, founder of The Babson Statistical Organization Wellesley Hills, 82, Mass., as follows: Please send a copy of Special Bulletin No. F-42 and Booklet, "Getting the Most from Your Money"—gratis.

Guaranteed accurate, dustproof, and durable.



Lost Time Is Lost Money

and, if you employ help, you are the loser.

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stops the loss. It times each job from start to finish. Times and identifies each order, receipt, letter, telegram, memo, and interoffice communication. Prepares in closer touch with production. Stimulates your workers. Makes accurate cost figures possible.

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"Originators of the art of printing time automatically."

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Buy **Halco Quality** Typewriter Ribbons at direct-from-factory prices.

Halco Ribbons are non-filling, made from the best of imported cloth and in brilliant non-fading colors.

We Take the Risk

and will cheerfully refund your money if our ribbons prove unsatisfactory. All colors and combinations of colors—$1.00 per half dozen; $1.50 per dozen.

State make of typewriter and color desired when ordering.

SHALLCROSS COMPANY
1450 Grays Ferry Road **Philadelphia, Pa.**
Price list of other supplies on request

—And Add Six Pounds of Yeast

(Continued from page 19)

But not always does the consultant wait to be called. Most of his time is spent, in fact, in anticipating those desperate appeals for help in trouble, in anticipating difficulties and in the constructive building of more and better business for the baker. Some of the non-selling traveler's time, for instance, is spent in discussing with the baker the comparative virtues of "slow dough" and "quick dough."

As its name implies, a slow dough takes longer to "rise" than does a quick dough. The dough that the baker brought down with him from that antiquity of crafts in which he shared a place in the poetic triumvirate with the butcher and the candlestick-maker was the slow dough. Generations of experience had demonstrated that a batch of dough required plenty of time to "rise"—all the way from twenty-five minutes to overnight. The baker of yesterday was just as certain of the infallibility of that law as were our great-grandmothers who baked the family bread in the clay-lined ovens alongside their great fireplaces. It remained for science and the Fleischmann Company to demonstrate that the slow dough of our great-grandmothers is as much out of place today as would be one of their clay-lined ovens. Much of the time of the itinerant consultants of the Fleischmann Company is devoted to showing the bakers of the country just why that is so.

Working in the baker's own shop, the demonstrator mixes up two batches of dough, one slow-fire and the other quick-acting. He shows the baker that the slow mixture requires—just as the baker knows—a minimum of about two hours and a half to reach its desired majority. He shows that the quick mixture requires, for the same chemical reaction, just twenty-five minutes. The two pans of dough then go into the oven. Baking is just baking, and the two come out at the same time.

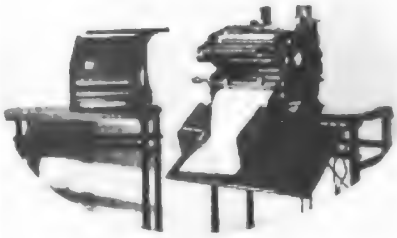
Then the demonstrator demonstrates something else. He cuts open two of the loaves, one of the slow mixture and one of the quick-rising. He shows the baker that of the two, the quick dough makes the better bread. The grain of the loaf is finer; its cellular formation is the more fragile and its crust is thinner and less heavily armored; it is more easily salable.

The baker sees and is convinced. Also, at about that stage of the demonstration, his sense of humor begins to stir.

"You win," he tells the demonstrator. "You're right about the quick dough. But I can see why you're interested in it, too. I noticed that when you mixed up the batches

Multigraphs Like New

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ALL models. Prices range from $130 up. Guaranteed to produce finest quality of work or money refunded in full. Guaranteed for two years, during which time we will replace free any part (except type) that wears or breaks. If machine is not satisfactory in every way will exchange without charge. Every machine has brand new complete type equipment, new platen, etc., insuring perfect work. Hundreds of satisfied users throughout the country. Operating instructions furnished. Machines shipped complete with all necessary supplies, ready to run. Send for price list 101.

Rebuilt Multigraph Exchange
Lincoln Building **Philadelphia, Pa.**

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$6.50
F.O.B. DETROIT

SAVES SPACE and TIME



A strong, well-built Stand, five-ply oak, veneered top, 17½" x14". Will last a lifetime. Easy to move about. Suitable for small office and home use. 26" high.

Write for our proposition

Auto Parts Mfg. Co.
1817 Trombly Ave.
Detroit, Mich.

NEW DAYTON AIRLESS

This tire *can't puncture, can't blow out.* No tube—no pumping—no delays. 100,000 satisfied users. Made for passenger and delivery cars. 30x3, 30x3½ and 31x4 inch size.

Greater Mileage—Easier Riding



New improvements have *doubled* its *easy-riding* qualities. *Unlimited* guarantee. Saves tire expense. Prevents trouble. Write for booklet and price list.

Dealers wanted in every city and county. Big Profits. No competition. Write at once for dealer proposition.

The Dayton Airless Tire Co.
Dept. 261 **Dayton, Ohio**

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you used nearly twice as much yeast for the quick mixture as you did for the slow batch. I suppose that's where your company comes in."

"Yes," admits the demonstrator, "that's one place where we come in. But it's a place, also, where *you* come in. Did you notice, too, that the quick dough, with exactly the same amount of flour, not only made better bread than the slow dough, but made more? Let me tell you what you can do on a good-sized batch of bread:

"Use six pounds of yeast, say, and with a given amount of flour you get a thousand loaves of bread. The six pounds of yeast would cost you about a dollar and eighty cents. The bread you would sell at ten cents a loaf, or one hundred dollars for the entire batch. Then take the same amount of flour, but use only four pounds of yeast, instead of six. Thus, on the yeast, you would gain, about sixty cents. But the batch of dough will give you only about nine hundred and fifty loaves of bread, and in the sale of them, as compared with the quick-dough batch, you lose five dollars. And I haven't said a word about how much of your time the quick dough saves."

The baker's reaction? Take it for granted!

Operating a bake-shop, however, isn't all a matter of mixing experimental batches of dough. A bakery has something to sell.

A Fleischmann demonstrator who "travels out of" Rochester, New York, dropped in on one of his clients in a county seat town and inquired of the baker:

"Well, how's she going, Joe?"

"Fair," said Joe. "I'm not setting the world afire, but with business as it is, I guess I can't kick. Besides, competition's cutting in on me a little and that takes some of the business."

"What sort of competition?" the demonstrator asked.

"Down-town fellows," Joe explained. "You see, this isn't a very big town. Folks can go almost anywhere to do their trading. Some of my customers are going to the bigger fellows down town."

"How come?"

"Well, those down-town fellows have a wider variety of stuff than I have. I've always thought that I was wisest to stick to my specialty, which is bread, and build up a name for it. I've succeeded, I think, in making a name for my bread, and the folks here in my district ordinarily buy my bread. But occasionally, when a woman needs a couple of loaves of bread, she thinks a cake would be nice for dinner. So when she sends her little girl for bread she says, 'You'll have to get the cake down town, so you might as well buy



BUY INTELLIGENTLY

Use this instant key to sources of supply for all your business wants.

No matter what you want THOMAS' REGISTER will instantly furnish the sources of supply—more than 70,000 articles and kinds thereof. Lists all names regardless of patronage.

Used by those who do the buying in more than 25,000 concerns in the United States and Canada. IT OFTEN SAVES IN A MINUTE MORE THAN IT COSTS FOR TEN YEARS.

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NEW YORK

"That's What I Want"

A Low Priced Letter File

That

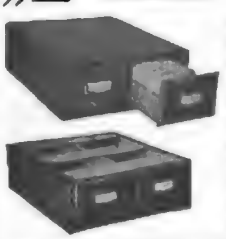
Does All Any High Priced File Can Do

Made of best grade, kiln dried, solid oak—every one of its thirty joints are interlocked, glued and screwed making it long-lived and non-rackable. Drawers are full height—an aid in excluding dust—operate on indestructible fibre rollers and have auto-locking follow blocks to keep contents in vertical position. Most any office supply dealer can demonstrate this cabinet. Furnished in Golden, Natural or Weathered Oak. Special oak finishes or Mahogany finish at ten per cent more than regular oak prices. Made two, three, four and five drawers high, letter, cap and invoice widths. Assorted drawers provide arrangements in one cabinet that will meet most any filing need. Ask for catalog.



No. 421 Letter File

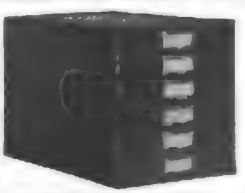
Wels Sectional Card Index Cabinets



are made for 3x5, 4x6, 5x8, 6x9 and 8x5 size cards. Purchase a two-drawer top section first, then when additional filing space is required bottom sections can be added. Furnished in Golden or Natural Plain and Quartered Oak and Birch Mahogany. Twelve inch Leg Bases made for all sizes. See catalog for several illustrations of practical combinations.

Legal Blank Cabinet

Made in Golden or Natural Plain Oak or Mahogany finishes. Drawers are Legal Cap paper size. Full length drawer partitions allow cabinet to be used with or without drawers.



A Swinging Desk Stand Attached to Your Desk

provides additional working space. Swings typewriter, adding machine, reference book, etc., within easy reach. A real necessity for holding stenographer's note book while taking dictation. The wood tops are 14x18 inches; furnished in Golden, Natural or Weathered Oak or Mahogany finishes. Metal frames in Black Enamel, Oxidized Copper or Nickel Plated. Your dealer has one in stock or will order it for you.



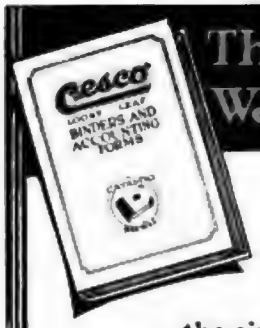
Wels Stationery Cabinets



placed on or near stenographer's desks, provides storage space for current supply of stationery, keeping it neat and clean away from dust and flies. No. 149 has drop lid. No. 150 open vertical front. Ask any stationer.

Filing Suggestions is the name of a booklet that will interest you if you have a filing problem. Sent free with our catalog and nearest dealer's name.

The Wels Manufacturing Co.
85 Union Street, Monroe, Mich.
New York—53 Park Place



This Book Shows Better Ways to Keep Your Records

OUR new catalog just issued contains valuable information for manufacturer, wholesaler, retailer, jobber and every bookkeeper. In it are explained the simplest, easiest and most satisfactory Loose Leaf forms for keeping every sort of record.

Cesco Systems
For Every Business Purpose

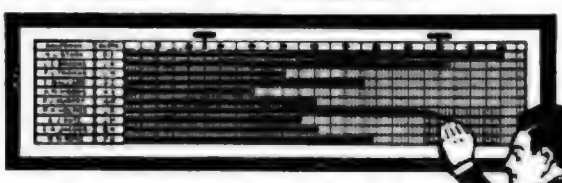
No matter what your business, this book describes a better time, labor and money saving system that *you* can use. It shows forms and systems for *every* requirement—tells how to use them. By studying it, you can eliminate useless labor, and increase the efficiency of every department. **Sent Free on Request.** Use your business stationery—please.



THE C. E. SHEPPARD CO.
266 Van Alst Ave. Long Island City, N. Y.

KEEP RIVALRY KEEN

among your workers by visualizing their records on this Moveable-bar Chart.





EDEXCO MECHANICAL GRAPHS
are new and simple types of Graphic Control Boards and make it easy for the executive to picture quotas and results in large or small businesses.
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Illustrating in color various types of Edexco Mechanical Graphs

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Solid colors will not peel or scratch, 2 sizes.
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containing 100 map pins and other marking devices, sales maps, charting papers, carrot racks, EDEXCO map mounts, 2 catalogs—GRAPHIC Supplies and Mechanical Graphs—Service Sheet No. 4 and special instruction sheet on Charting and Keeping Graphic Records. Catalog alone sent Free. Please say which.

EDUCATIONAL EXHIBITION COMPANY
620 Custom House Street PROVIDENCE, R. I.



Reduce Your Office Overhead

Your stenographers are wasting valuable time every day in searching through their desks for the right stationery or form. These needless delays prevent them from devoting *all* of their time to productive work and greatly increase your office overhead.

With a

Byron Typewriter Cabinet

all time is productive time and in many instances the installation of these cabinets has saved the services of one stenographer. The BYRON TYPEWRITER CABINET keeps all stationery, envelopes, special forms, carbons, etc., in separate, easily accessible compartments and permits your stenographers to do more and better work in less time. Let us tell you about the 30 BYRON features that will reduce your stenographic costs one-third.

Write for illustrated folder today

Model 100-A
42"(H.) 2 inches when open 29 inches wide closed. Made in quarter-sawed oak, and mahogany.

Byron Typewriter Cabinet Co.
1348 32nd Street LOUISVILLE, KY.

the bread down there, too, and save a stop on the way home'."

"Why don't you put out a cake?" the demonstrator asked.

"Well," said Joe, "I've thought of that. I'd like to do it, but I'm no cake-maker. I've never been sure that it wouldn't hurt my reputation as a specialist on bread. Besides, I've never figured out the cost of making a cake, and I wouldn't be sure whether I was making or losing money on it. I wouldn't care if I didn't make a profit on the cake, so long as I didn't lose anything on it, because I think the cake would hold my trade."

"Let's try putting out a cake," the demonstrator suggested.

Joe was willing and the two of them attacked the job together. Joe produced a sample of the sort of cake that he believed would compete with the offerings of the "down-town" fellows. The demonstrator volunteered to reproduce it. Some of the materials that would be needed were not available in Joe's shop; the demonstrator went out and bought them at a grocery store. At a hardware store he managed to find a standard-sized cake-baking pan, 18 by 24 inches. Then, in Joe's shop, the demonstrator mixed the cake, baked it and iced it.

"There," he said to Joe, when the finished product came out of the oven, "there's your cake. Now let's see what it cost."

The demonstrator figured on a scrap of wrapping paper. He listed flour and sugar and eggs and butter and milk and salt and baking powder and flavoring—no yeast, you will notice. He questioned Joe about his labor cost and his overhead expense and he appended amounts for those two items. Then he footed up his figures.

"Two dollars and forty cents," he announced. "On a bigger scale you can do better than that. But two-forty will give you plenty of leeway. Now, for how much did you intend to sell your cake per piece?"

Joe thought ten cents would be a good competitive price.

"All right," said the demonstrator, "ten cents goes into two dollars and forty cents twenty-four times. Cut your 'sheet' cake into twenty-four pieces and sell the pieces at ten cents each. You'll get out at cost, at least. That will do for a start. Later on you can cut down your costs and make a nice little profit on your cake. How does it look?"

"Good," said Joe; "I'll do it."

Joe did it. He put out the cake, twenty-four pieces out of a "sheet" at ten cents a piece. He won back his neighborhood trade; he boosted his sales of bread—and today he is making money on both his bread and his cake.

Then there is advertising. Advertising, too, is a science, a fact that the

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average baker well knows. Personally, he would much prefer not to be obliged to bother with it. Writing copy takes time—not to mention a certain knack that a baker is not expected to have—and the results of home-made copy often are disappointing. The average baker is glad to have somebody take his advertising worries off his hands; and the Fleischmann Company has done just that by preparing campaigns and stocks of advertising material for bakers. These consist of newspaper campaigns, street-car cards, store cards to be displayed in the stores of grocers to whom the baker sells his bread, counter displays, circular letters for direct-mail advertising to grocers, and the like.

Several of the campaigns are written around a brand of bread. A baker finds that his bread isn't "going" very well; he seeks to increase his sales. His bread is good, but the public seems apathetic. He adopts one of the Fleischmann names for bread—"Sally Ann," "Harvest," "Mighty Nice," "Golden Crust;" there are ten or a dozen from which he may select—and then he launches the Fleischmann advertising campaign that revolves around that name. In the scope of the campaign and its cost he has a wide range of selection—anything from a four-inch, single-column advertisement in the newspapers up to full-page spreads accompanied by a whole arsenal of street-car posters, store cards, window cut-outs and direct-by-mail literature.

No baker need remain in the dark concerning what the Fleischmann Company has to offer him in the way of advertising material. The Fleischmann spaces in the trade journals tell him about it, and so do the traveling emissaries of the Fleischmann Company.

"As a matter of fact," R. J. Witt, of the Fleischmann department of sales promotion, told me, "except in isolated cases, we don't depend upon the mails to 'sell' our dealer-help service. Selling that is a part of the jobs of the agents and the extra men. An agent or one of the extra men calls on the baker, looks over his business and his manufacturing and distributing facilities, surveys the market and recommends a plan of advertising action. After he is once started along advertising lines, the baker often comes to us. He writes in for additional material, or for something special."

Mr. Witt pointed to an attractive calendar hanging on the wall of his office. It pictured a rosy-cheeked boy, devouring a big slice of bread. The calendar bore the signature, "Lang's, Indianapolis."

"For instance," Mr. Witt went on, "Lang, down in Indianapolis, wanted to put out a calendar. Somewhere he



EGRY REGISTERS

in Retail Business

are solving the problem of conserving profits, performing this most wonderful of achievements by the simple method of placing the merchant in complete control of his business—making him *master* of it and *not* subservient to it. That's the point.

Become Master of Your Business

by gaining a thorough insight of the details of every transaction, thus automatically *certainty* takes its place, eliminating question and doubt, preventing shifting of responsibility and avoiding unpleasant and unprofitable disputes. More profit is gained by the savings effected than by former methods of increasing selling prices. Increased efficiency becomes a *fact*. More satisfied patrons created. Less worry. More time for thought to business upbuilding.

EGRY System of Retail Sales

properly conducted will make you *master* of your business by providing you with the means of securing the complete history of each day's business and keep you constantly informed as to details of *every* transaction.

You will know:

1—What merchandise has been sold
2—What goods have been removed from surplus stock
3—Productivity of salespersons
4—What your daily profits are
5—Whether charge items have been properly posted
6—Of any losses on sales
7—That protection has been given every patron
8—Exactly what your cash sales are
9—That all payments have been properly recorded
10—Exactly what money has been paid out

The Egry Auditor is distinctively in a class *all its own*. It is the most protective sales recording device ever offered to the merchant. Its simplicity coupled with its far reaching results has won for it the hearty approval of users.

Saved $263.51 in 48 Days

—that's what Mr. L. R. Roth, of Indianapolis, says the *Egry System* did for him.

You ought to know more about this truly remarkable system and we shall be very glad to supply the information without any obligation to purchase—just an opportunity to prove to you the merits of the *Egry System*.

The Egry Register Company

Dept. B, Dayton, Ohio

Say you saw our ad in BUSINESS—it will identify you.



A Bookkeeping Machine Is Within Your Reach

THE small or medium-sized business having only a moderate amount of bookkeeping and figuring to do can now purchase at a greatly reduced price a rebuilt Burroughs Bookkeeping Machine—one that will bring to the small business the many advantages derived by larger organizations from machine bookkeeping.

These rebuilt models are in first-class shape and are capable of taking over the entire load of posting to all ledgers, making statements, handling distribution and the many other figure jobs of the average office. You will find a Burroughs the ideal way to handle your records.

These machines are standard Burroughs Bookkeeping Machines that have been taken in exchange from concerns desiring machines of greater capacity or special features for special work. Trained Burroughs mechanics have completely overhauled the machines before the machines are offered for resale. Each rebuilt machine carries the same guarantee of complete satisfaction as a new machine.

Any Burroughs salesman will be glad to give you complete information about the different styles, application and price. If you desire, he will gladly give you a demonstration on your own work. Call the Burroughs man in your neighborhood—or write us for further details.

New York Office
327 Broadway

Chicago Office
Conway Building

San Francisco Office
2nd and Brannon Sts.

Kansas City Office
Firestone Building

Atlanta Office
22-24 Walker St.

General Adding Machine Exchange

had seen that picture of ours—one that we've been using in some of our national advertising. He wrote in asking if he could reproduce the picture for his calendar. We sent him the color-plates—lent them to him. That calendar is the result. The job would have cost him three or four hundred dollars if he had had the whole thing done for himself. As it was, his only cost was the printing. All our service, by the way, is free to the bakers, from the time of the demonstrators to the advertising material. For plates and cuts to be used in newspaper advertising we bill the bakers at cost."

I was curious about results. I asked Mr. Witt about them. He pressed a button on his desk, and when a boy looked in at the door Mr. Witt asked for "a handful of those record cards on baker advertising." In a moment the boy returned with a sheaf of loose-leaf cards.

"These cards," Mr. Witt explained, "carry the records of monthly sales of yeast to bakers who are using our advertising. When a baker starts one of our campaigns a card for his sales automatically goes into this record and is posted, automatically, every month."

He tossed one of the cards across the desk to me. At the top it bore the name of a baker in Indiana. Below the name was this notation: "Started complete Sally Ann campaign in June." The record of sales of yeast to this baker began with May, the month preceding the launching of Sally Ann. And this is the way it read: "May, 32 pounds; June, 200 pounds; July, 260 pounds; August, 315 pounds; September, 265 pounds; October, 278 pounds; November, 250 pounds; December, 265 pounds."

And there you have it.

How Much for Advertising?

Seven and one-half per cent of the total volume of business done by a retail store should be appropriated for rent and advertising, Theodore F. Pevear, advertising manager of the Stein-Bloch Company, told the Business Promotion Group of the Rochester Ad Club, in speaking on the subject of "Retail Advertising."

This appropriation of 7½ per cent should apply whether the store is located in one of the most desirable locations on Main Street or in a side street, he said.

"The merchant in the Main Street location naturally pays a higher rent, but, being favorably situated, finds it necessary to spend less for advertising, while the merchant whose store is situated in a side street needs to spend more for advertising in order to attract people to his store."

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Ditto—the modern method of making copies—is economical, swift and accurate.

Ditto is economical because it supplants expensive, old-fashioned, slow and inaccurate copying methods.

Ditto is swift, providing within a few minutes up to one hundred clear, clean facsimiles of anything typed, written or drawn.

Ditto is accurate because it produces all copies *directly from the original,* which is prepared in the regular way with Ditto ink, pencil, or typewriter ribbon. There is no type to set, no stencil to cut, no carbon paper to pack, no re-writing—*no chance of error.*

Ditto copies all or any part of this original upon any sheet, form, slip, label or tag, up to 18 by 34 inches in size. For the efficient handling of orders, invoices, requisitions, bulletins, notices, statements, and other data essential in business, Ditto has no rival.

Ditto is modern, but not "new." In thousands of progressive organizations Ditto has effected savings of hundreds and thousands of dollars.

Ditto is so versatile that it easily adapts itself to the existing requirements of practically any business.

The nearest Ditto Man will tell you what Ditto is doing for others and what it will do for you. Or write today for the Ditto Book, which tells this Ditto story.

DUPLICATOR MANUFACTURING CO.
DITTO BUILDING · CHICAGO, ILLINOIS

Ditto

THE QUICKEST WAY TO DUPLICATE

WHAT DITTO DOES *for* MECHANICAL BOOKKEEPING

ONE of Ditto's most efficient applications is in preparing unit posting media for mechanical bookkeeping.

Unit posting media, prepared with Ditto, *are always accurate,* legible, economical, and conveniently handled.

With Ditto, an *exact* copy of each and every individual line entry can be quickly obtained on a single media slip, without rewriting, direct from the original loose leaf entries used for cash receipts, cash disbursements, stock records, labor and material control, journal records and the like.

All posting media are completed at the same time, which permits several persons to start posting simultaneously.

Thus Ditto affords early daily balances, early banking, and insures absolute accuracy—no chance for errors.

Handling mechanical bookkeeping tasks takes only a little of Ditto's time, and in no way impairs Ditto's efficiency in other departments and work.

Ask the Ditto Man; or, if more convenient, get in touch with the representative of any efficient mechanical bookkeeping system.

Have Your Desk Make You More Money

An "ORDERLY DESK FILE" will make money for you. Keep your desk and mind orderly. Increase your efficiency. Do more work, better work. Also, save time by keeping your desk so that you know just where to find what you want.

Desk "A" will make more money for you than Desk "B." Make your desk like "A." Will send you a five compartment "ORDERLY DESK FILE." You may use it for ten days. If you are not convinced that it will save you time or money, you may return to us or send us $4.50.

WRITE FOR PRICES ON OTHER SIZES

Desk "B" *Desk "A"*



AUTO PARTS MANUFACTURING CO., 1819 Trombly Ave., Detroit, Mich.

Your Printing Carries Your Personality

Do you realize the power in the printed word as it affects your business reputation? Stop and think! From booklet and letter to price list and shipping tag—all the printed stuff that leaves your shop is representative of *you*!

It is, therefore, vitally important when and how it leaves your place. And you not only create the right impression on the public but save time and money by installing a

Multicolor Press

The only flat bed, high-speed printing press that perfectly combines the recognized essentials of the printer with the utmost simplicity of operation. It prints from standard equipment: foundry type, monotype, linotype, flat half-tones, electrotypes, etc. Thousands of Multicolor Presses are in successful use. Simple to operate. Hand or automatically fed.

The Multicolor Press is not a makeshift. It is not a substitute for printing. It is a small, powerful, adequate printing press with its operation made as nearly automatic as possible.



It will print anything within its capacity. Sheet size, 9½ x14 in.; type page, 8x12 in. It will print one, two or three colors at one operation. It will produce form letters faster and better than you ever saw them done before, either by direct inking through fabric or an inked ribbon, singly, or in combination with other printing.

Remember, this printing problem is of vital importance. Give it your special attention—at least to the point of asking our representative to call.

"Print it yourself at half the cost"

Lisenby Manufacturing Co.
225 N. Michigan Ave. Chicago

Where Sixteen Counties Trade

(Continued from page 11)

to tractors and including theaters, which the editor was asked to check as suitable for Topeka advertising.

Replies to that inquiry are still coming in. There is drama in every one of them—drama and usually a bit of charming humor. For instance, the editor and publisher of *The Argus*—which isn't its name—in the town of Bellevue—which is another reportorial alias—took his typewriter in hand to write to Mr. Tabor as follows:

> Your letters addressed to Mr. H. E Meckel, formerly editor of the *Times-Herald*, and to myself as editor of *The Argus* at hand. First, I must tell you that there is no *Times-Herald*, nor has there been since last month, when this paper bought the whole *Times-Herald* shebang and put it out of business. Mr. Meckel has been working for me since.
>
> It has always been the policy of *The Argus*, since I established it going on four years ago, to refuse outside advertising. * * However, since buying the *Times-Herald*, I have inserted an entering wedge on several occasions by publishing the educational advertisements of the Topeka auto trade. I say entering wedge, because it is not from personal choice that I do not accept Topeka advertising. It is because one or two of my biggest advertisers have always howled against it. * *
>
> With our increased circulation, due to the absorption of the *Times-Herald*, we have raised our advertising rate a nickel.
>
> *The Argus* is a good medium for Topeka merchants to employ, without doubt, and I am very hopeful that we can so arrange our local situation as to take all the advertising offered. But I have a wonderfully good patronage locally and I want to proceed carefully with this innovation, lest it be said of me that as soon as I got the field corralled, I took advantage of the absence of competition to ram down their throats something hateful.

A few of the replies, Mr. Tabor pointed out, showed the need of still further education. For instance, one editor wrote:

> I feel that if I can get the *Bulletin* filled up with foreign advertising, I can convince the local merchants that advertising pays. When they realize that other firms know the power of advertising, maybe they will wake up.

"Now that chap," said Mr. Tabor, "is all wrong. He hasn't yet seen the light. I have written to him, re-explaining our general policy and pointing out for his especial benefit that we will not allow the advertising of the association to be used as a club over the heads of the local merchants in any community. Furthermore, until that editor shows a radical change of heart he isn't going to get any of our copy. But he's in the minority. With very few exceptions the editors throughout the trade territory are working with us, intelligently and whole-heartedly.

"In some instances we have had to

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guard against a surplus of editorial enthusiasm. In some cases we've had to look behind the replies to the questionaire. For instance, an editor who says his paper is receptive to all our advertising and who assures us that his local merchants are all friendly to us, but who checks *all* the lines of business as being lines that we can advertise to advantage in his town, is allowing his enthusiasm to get the better of his judgment.

"Now here's an unusual thing: We've had expressions of approval from the rural merchants. They have written to us and they have told us in person that, for the first time in trade extension work of any sort, the local retailers in the small towns have not been imposed upon."

Like co-operative advertising of almost any sort, the copy of the Topeka trade extension campaign is distinctly institutional in tone. The first advertisements, published as a starter in seventeen rural newspapers, were written around the idea of service. There were five advertisements in the opening series, each five columns wide by sixteen inches long. Each dealt with a single line of business, one with department stores, another with automobiles, another with men's clothing, another with women's ready-to-wear apparel and another with shoes. These excerpts from one of the five are typical of the copy treatment of the entire series:

No institution so easily accessible to the people holds such interest for the general public as the modern department store. As it stands today the department store is the joint product of large capital, business sagacity, trained and artistic taste and infinite pains. It has revolutionized the business of buying and selling.

The old system of retail selling held no mystery. Its methods were simple and often highly elastic. The proprietor bought as cheaply as he could and depended upon the cleverness of his clerks for his profits.

The new way is as far removed from this as the modern factory with its machine equipment and methodical efficiency is from the old-time "hand-power" workshop. Topeka's department stores are highly specialized machines. The goods sell themselves. They are marked in plain prices. The clerk has no more to do with fixing the prices than the customer. Relieved of this responsibility, he concentrates his entire energy in giving service to the customer. * *

The general public scarcely realizes the important part played by the modern department store in keeping down the prices of wearing apparel. Buyers invade the metropolitan markets looking for bargains to pass on to their customers in Kansas. They demand the best figures and latest goods, both in style and quality, and get them. * * Excessive costs of selling are eliminated. Thus the buyer reaps still another great benefit. Overhead expenses are lower in Topeka stores than in any other city of the size in the country.

An Executive Short Cut

The modern executive maintains his position through his ability to intelligently direct the other members of his organization.

He conserves his time and energy at every possible point.

He does, in a few hours, what his grandfather or father took days to accomplish.

He uses the short cuts.

HE USES the Dictograph System.

AMERICAN WRITING PAPER CO.
HOLYOKE, MASS.

February 10, 1921.

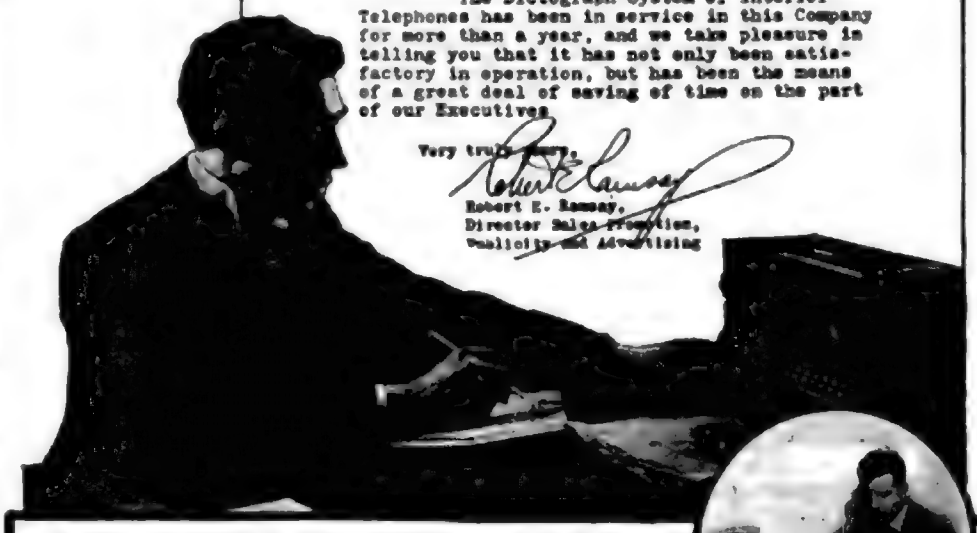
Mr. C. H. Lehman,
Dictograph Products Corporation,
New York City.

Dear Mr. Lehman:

The Dictograph System of Interior Telephones has been in service in this Company for more than a year, and we take pleasure in telling you that it has not only been satisfactory in operation, but has been the means of a great deal of saving of time on the part of our Executives.

Very truly yours,

Robert E. Ramsay,
Director Sales Promotion,
Publicity and Advertising





Facilitates Executive Control

THE Dictograph System provides *direct* and *instantaneous* communication between the persons and departments of an organization.

It connects and links together the shipping clerk, bookkeepers, sales manager and executives into a smoothly running, closely co-operating organization.

The Dictograph System gives to the executive *direct* and *instant* access to every member of the organization. Enables him to supervise every department right from his desk. He is virtually brought face to face with his auditor, advertising manager, treasurer, chief engineer, etc. He can confer with one or more persons — yet every man remains at his post.

The Dictograph actually *multiplies* the executive's personality. His Master Station brings every department right up to his finger tips. The pressure of a key — and his influence and personality is felt at the other end of the wire.

In addition, the Dictograph System provides *complete* and *instantaneous* inter-communication between each and every department of the organization.

Read Mr. Robert E. Ramsay's letter, in which he testifies to the value of the Dictograph System. His opinion is shared by more than fifty thousand other executives. The service which means so much to them can be duplicated right in your own offices.

Find Out What The

Dictograph

System of Interior Telephones

Can Do for You

Without the slightest obligation on your part, you can have the Dictograph fully described to you. You can see it in action right on your desk without any inconvenience or obligation. Simply mark the coupon for a five-minute demonstration and attach it to your letterhead.

DICTOGRAPH PRODUCTS CORPORATION
Charles H. Lehman, President
220 West 42nd St., New York City

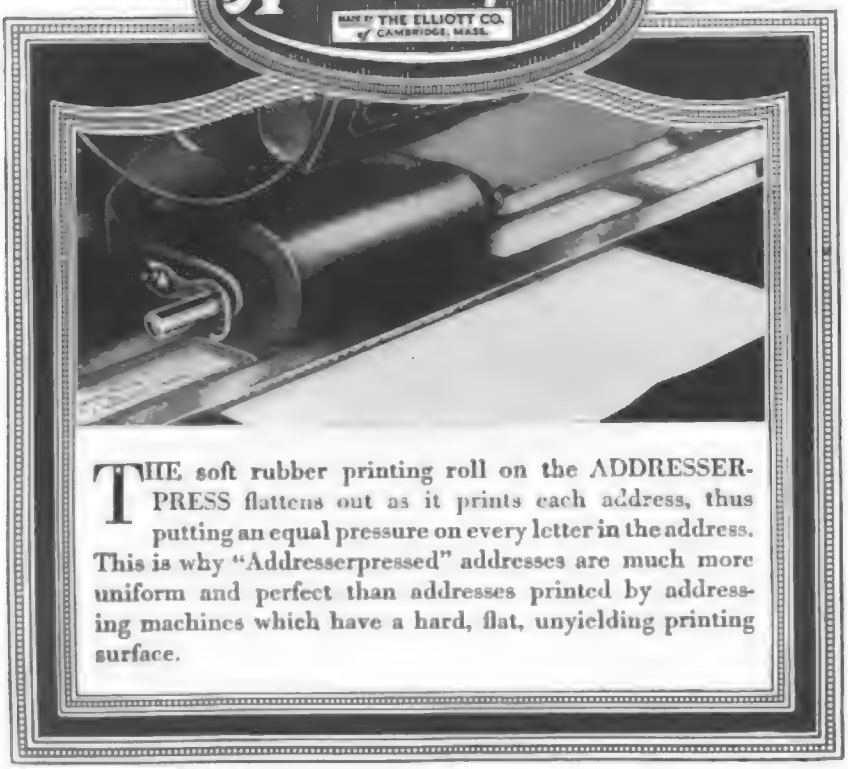
DICTOGRAPH PRODUCTS CORPORATION
220 West 42nd St., New York City
(Check one of the squares)

☐ **5-Minute Demonstration**—You may give us a 5-minute Demonstration of the Dictograph with the understanding that it places the undersigned under no obligation.

☐ **Free Booklet**—You may mail "An Essay on Executive Efficiency," which analyzes the problem of inter-communication.

Name _____
(Please attach to your letterhead) Bus. 6-21





That service idea, parenthetically, is to materialize in something more than copy talk. "If we advertise service," said the Topeka Merchants' Association, "let's be sure that we give service and satisfaction." To make sure, the association is establishing a grievance bureau; and that bureau, too, is to be advertised institutionally. The public, including the 329,000 inhabitants of the Topeka trade territory, is to be told that if an individual customer has a grievance against one of the stores in the association, and if he fails to get satisfaction from the store management, he may carry his case to the grievance bureau and there have it adjudicated by disinterested men.

To supplement newspaper advertising in its trade-extending, the Topeka association has adopted the use of billboards. As this article was written, the first of a "battery" of twenty boards, each ten feet high and fifty feet long, was being erected. In its billboard advertising the association has the co-operation—moral and financial—of the Topeka Rotary Club, the Chamber of Commerce, Manufacturers and Jobbers' Association and other civic and commercial bodies. Each of the big boards, placed at a strategic point along some highway leading into Topeka, is to have as a background the skyline of Topeka, with the handsome state capitol of Kansas in the center, and to carry a single line of copy pointing out some one advantage of Topeka as a trading center. Interspersed between the big boards and situated at every crossroad or turn in a Topeka-bound highway, smaller boards, each with an arrow pointing to Topeka and giving the distance to Kansas Avenue, are to be set up.

There remains as a medium of advertising a method that the Topeka association is just beginning to use—direct-by-mail. The first lists have been made up from data furnished by county clerks and by the Kansas registrar of motor vehicles. It consists of lists of the names of taxpayers and owners of automobiles throughout the sixteen counties. To supplement this the stores in the organization are to turn over to the association, for its trade-extending purposes, their own mailing lists.

There still remains another medium of advertising—the medium of personal contact with the customer. Topeka cannot go to the sixteen counties in its trade territory merely to introduce itself; but it can bring to Topeka a goodly number of the inhabitants of that territory for the same purpose. Getting acquainted was the thought behind plans that were being made when this article was written for a get-together party between Topeka merchants and their rural customers to be

staged in the early summer. It is to be a real party.

"In the first place," Mr. Tabor outlined, "the guest list is to be limited to non-residents of Topeka. A Topekan will not be able to get in with a jimmy, unless he is a Topeka merchant; and then he will get in not as a guest but as a host. We're going to send invitations to the folks in the rural districts, and then we're going to surround our party with a line of guards who will be instructed to admit nobody without an invitation.

"We'll use the biggest auditorium in the city as headquarters for the visitors and as a general meeting place. There we'll put on band concerts, vaudeville performances, a movie show, an indoor dance and a banquet. At the banquet our association members will climb into white aprons and serve the food. On Quincy Street, which has a smooth pavement, we'll rope off a block or so, put up a bandstand and stage an open-air dance.

"Aside from the rule that Topekans are to be barred from the party there will be one other rule. That will be: No special sales. No store in the association is to be permitted to take advantage of the presence of the guests by trying to sell them something. Of course, the stores will be open to take care of the needs of the public. But their proprietors will be at the party—and too doggoned busy as hosts to monkey with sales."

But everywhere, through every medium and upon every occasion in all this trade extension campaign, one idea, one policy, is to be kept secure. And that idea, that policy, is that the Topeka Merchants' Association is not in competition with the small-town merchants. Throughout the advertising, wherever opportunity affords, that idea is to be hammered home. That idea is behind the plans that are being made for a barbecue for the country editors—and for the country editors' patrons, the country retailers. This affair, too, is to be staged in the early summer.

At the barbecue the Topeka Merchants' Association is to share the responsibility as host with the Topeka Press Club. Again the merchants will don the white aprons and serve the banquet. The press-clubbers, on their part, are to put on their make-up and enact one of their famous Frying Pan playlets. Those Frying Pan playlets, by the way, have become an institution in the public life of Kansas.

Speaking in the capacity of secretary of the Topeka Press Club—for he has that job, too—Mr. Tabor thus typified those Frying Pan affairs: "They're like the Gridiron dinners in Washington, only more so."

Last year the Frying Pan concerned itself with the Kansas industrial court

Try One 30 Days FREE



Get it at your dealers or from factory direct

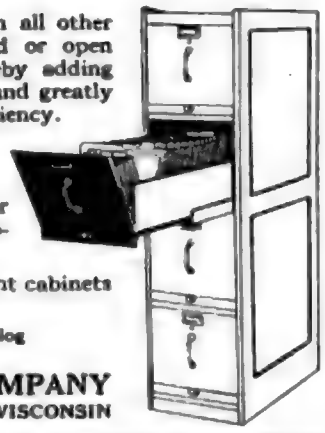
The AUTO-DESK COMPANION

—all that the name implies—you need one at your desk for your daily routine, filing matter, special subject, follow up, personal, private, card index, etc., all within easy arm's reach, instantly accessible.

AUTOMATIC EXPANDING FILES

Note the easy way of filing and finding in the *V Expanded filing space.*

are different than all other files—they expand or open like a book, thereby adding 25% to capacity and greatly enhance filing efficiency.



Wood-Steel Construction

Means a beautiful exterior in Quartered Oak or Mahogany and Steel file drawers with easy rolling progressive extension slides.

Made in all the standard size sectional and upright cabinets and flat top desks.

An immensely interesting line—shown in a new catalog just out—write for No. 22B at once.

THE AUTOMATIC FILE & INDEX COMPANY
Sole Manufacturers GREEN BAY, WISCONSIN



Speed Up Your Business

These are days when time saving is important—when it is necessary to cut overhead by having every employee do all the work possible.

Stromberg-Carlson Inter-communicating Telephones

save everybody's time by giving Instant Communication between every department or office in your plant. Simply press one button once. No operator or switchboard needed. Adapted to factories, mines, offices, hotels, etc.

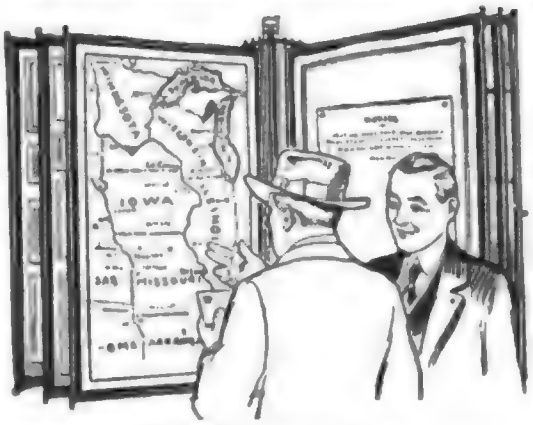
Send the coupon for booklet "Why Walk" giving details of the system.

Stromberg-Carlson Telephone Manufacturing Co.
Rochester, N. Y.

Dealers and Installers in Principal Cities

Stromberg-Carlson Telephone Manufacturing Co.
Send your bulletin "Why Walk" describing the Stromberg-Carlson Inter-communicating Telephone.
Name.....
Box 622

ST. LOUIS MULTIPLEX MAP and EFFICIENCY FIXTURES



The MULTIPLEX keeps maps in proper vertical position — ready for quick reference — close inspection — rapid comparison.

Requires very small space.

No stooping. No straining.

Convenient and practical.

If you use maps, you need

ST. LOUIS MULTIPLEX "SEE US PAY OFF"
EFFICIENCY FIXTURES

Wall-Fastening
MAP MULTIPLEX No. 23-C

consists of steel main-frame and six steel frame wings (28" x 28") with asphaltum board fillers. Complete ready to install, $28.50 F. O. B. St. Louis.

Also supplied with wings of several other sizes.

Write for Booklet. It gives full details

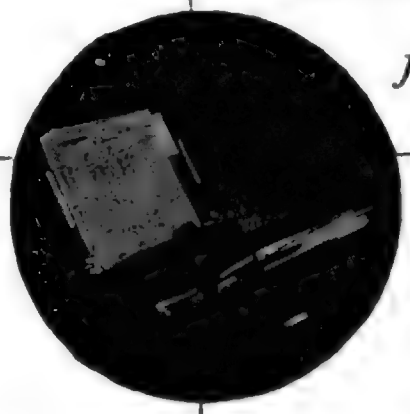
Made for wall, desk or floor; also built into wood cabinets with lock and keys.

Leaves or wings are removable and have light all-steel frames with thumb-tack board fillers.

Especially adapted to map tack system.

MULTIPLEX DISPLAY FIXTURE CO.
920 North Tenth Street **St. Louis, Mo.**

Loose Leaf Devices
for every requirement



STATIONERY equipment for machine bookkeeping; binders, stands, ledger leaves, statements, envelopes, etc. Seventy-one years, of experience in supplying the needs of Banks enables us to offer you suggestions of practical value, which we are always glad to do.

May we send further information and illustrations?

Blank Books — Bound and Loose Leaf — Lithographing, Printing Engraving — Office Stationers and Suppliers

The Penn. National Bank, Phila., Pa., has been using Mann equipment with their Machine Bookkeeping System ever since its installation.

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway

and its political troubles, and the Kansans who were fortunate enough to get in are still talking about what the Frying Pan did to the industrial court. This year, with the country editors and the rural merchants as the audience, the Frying Pan is to portray the life of a rural editor.

"I have an idea that we can get away with such a performance in fairly good style," said Mr. Tabor, the newspaper man, "because most every one of us has been a country editor. We know the sort of life he leads."

Topeka's next move, commercially, is in the future. It, too, will have to do with missionary work and with education; but it will be directed along the lines of organization.

"If we can bring about the organization of a merchants' association in every community, we shall benefit the rural merchants and benefit ourselves," Mr. Tabor explained. "As we look at it, any community, even though it have but a half-dozen merchants, is big enough to have a retailers' association. It is only through such an organization that narrow-mindedness and individual jealousies—things, by the way, that we have overcome here in Topeka—can be eliminated. Until those things are eradicated business cannot reach its highest development—business for Topeka and business for the rural communities. And that is what we are doing now; we are working through the country editors and through the leading merchants in the small towns for the organization of merchants' associations.

"Along that line there is much work yet to be done, but already we have made some progress. There, for instance"—and he pointed to a letter lying on his desk—"there is an invitation asking me to come to Marysville and talk to the merchants there about how they can organize."

Helping the Locomotive

Workers in business organizations who kick, growl and make trouble for the management during the reconstruction days when managers of business everywhere have problems confronting them that require every bit of energy they possess, remind me of the green brakeman who was making his first trip up the Sierras.

The train was going up a very steep grade, and with unusual difficulty the engineer succeeded in reaching the top. At the station, looking out of his cab the engineer saw the new brakeman and said with a sigh of relief: "I tell you what, my lad, we had a job to get up there, didn't we?"

"We certainly did," said the brakeman, "and if I hadn't put on the brakes, we'd have slipped back."

—Tom Dreier in *Forbes Magazine*

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Would you be responsible if you endorsed this note?

Tips for Business Men

Tips on how to prevent errors in your daily work—

Pointers that may save you money—

Business facts that every man should know—

are offered you in the new "Four Minute" Training Bulletins of the Blackstone Institute. Each Bulletin (there are 48 in the series) contains 8 practical illustrations of common business errors. To acquaint you with these bulletins, arrangements have been made for the distribution of a limited number of *complimentary* copies. You may have one upon request.

Important Questions

Whether you are an executive or an assistant, your examination of this Bulletin will show that you must understand certain legal principles to avoid errors, and to make the most of your business opportunities.

For example: Would you as endorser of the note at the head of this page, be liable for its payment should the maker fail to pay?

Most business men would probably say that you would, but you WOULD NOT. Do you know why?

Now consider the following questions:

Has a minor a right to withdraw his investment in a partnership?

When is a partner released from liability?

Can a woman be a partner with her husband?

Suppose you settle a thousand dollar claim by paying two hundred dollars and receive a receipt for the entire sum: Have you disposed of the transaction definitely?

These questions and many others like them are of vital importance to every one concerned in any way with business. Regardless of whether you are engaged in buying or selling, manufacturing, mining, or financing, the day will come when the loss or saving of money will depend upon your prompt answers to legal questions like these.

Safety First in Business

Progressive business men are *preventing* legal errors now. The old way—the costly way—of guessing right or guessing wrong has been changed.

Mistakes cost millions every year. Mistakes are the biggest source of loss that business knows. So experts say, "Mistakes must cease."

As a means of helping business men to eliminate these mistakes, the Blackstone Institute has tabulated more than 300 common business situations in which legal errors most frequently occur.

This information is put into a special series of "Four Minute" Training Bulletins and offered to you as an integral part of our Legal Service for business men.

Vital Information-Free

Let the coupon below bring you the details of this new and up-to-date Legal Service to which 40,000 progressive men have already subscribed. Let the coupon bring you our 128-page book of everyday legal pointers which also contains one *complimentary* "Four Minute" Bulletin giving practical information you can use at once in your business.

If you want to avoid business losses, if you want to save money for yourself and your firm, mail the coupon at once with your name plainly written or typed. Remember, there is no obligation. WRITE TODAY. Blackstone Institute, Dept. A210, 4753 Grand Blvd., Chicago, Illinois.

Send your 128-page book of legal tips containing one complimentary "Four Minute" Bulletin and details of your Legal Service—no obligation to me.

Name
Business Position
Business Address
City State

Blackstone Institute
Dept. A210, 4753 Grand Blvd. Chicago, Ill.

Has Your Stenographer Ever Surprised You



With Carbon Copies that look like originals?

Why not ask her now to send for sample sheets of Panama Carbon Papers?

"The Line that can't be matched"

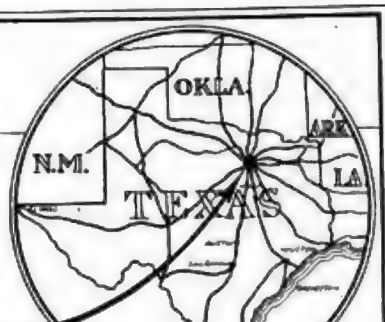
because the clean, long-wearing surface will produce more "original-like copies" than any other carbon paper that you can buy.

There is a Panama Service Station in your vicinity.

MANIFOLD SUPPLIES CO., *Manufacturers*
BROOKLYN, N. Y., U. S. A.

FOR NEAT CORRESPONDENCE—*LONG-WEARING* PANAMA RIBBONS

Fort Worth



Railroad, Livestock, Grain and Oil center of the Southwest.

We know this territory—its resources and opportunities.

Our service covers the Southwest thoroughly.

Correspondence invited

Resources, - - $20,000,000.00

Established 1873

The FORT WORTH NATIONAL BANK
FORT WORTH, TEXAS.

Watch The Back Door, Too

(Continued from page 21)

into some other kind of tool at the blacksmith shop and thus render more service before they go into the scrap. Tool steels and stock of all sorts and sizes that is left over at the end of a machine job should never go into the scrap if there is any possible way to melt it over into stock sizes for other uses.

Using materials over and over again for different duties, with only a little labor cost for reclaiming, sometimes saves factories huge sums, for these materials are usually of as good quality as new stuff that otherwise would be bought for the purpose.

The gathering up of scrap through a plant is a matter that is carefully studied by the industrial economist. In factories where metal borings and trimmings are produced in considerable quantities the job of picking them up is not left to the sweep-up men who clear the decks at night for the next day's action. A strong can or special container with drop sides is placed near every machine. Into these go the shavings and chips as fast as they are made. Traveling cranes usually remove them so they may be loaded directly into cars for shipment. Some factories are equipped to briquette all this metal before it is shipped, but if the output is small the higher price commanded by the briquetted metal may not justify the investment in the necessary equipment.

Most metal chips are saturated with cutting or lubricating oils. Extraction by separators gives back to the factory a low-grade oil before the metal chips are sold. This is merely another small back-door leak plugged.

The apparatus for separating steel and iron chips from brass by magnetism earns its keep in any metal-working factory, for it classifies the scrap and thereby adds to the income from this source. Jigs, screens, tables and other devices serve to classify almost any mixture of scrap metals.

Babbit scrap is an important item. Frequently it is mixed with iron, brass or composition, as it is when it comes from the machines used in boring bearings. When mixed with iron it can be put through the magnetic separator; then it is ready for reduction in a babbit furnace with clean babbit chips from other sources. Pigs cast from these chips are worth the price of new babbit metal in the open market.

The well-organized mechanical industry reclaims every sort of metal whether it be foundry slag, shop scrap or machines that have been discarded and dismantled. Heavy parts of machines are often broken up and melted into pigs if no use can be found for them in their original form.

ADVERTISING SECTION

But throughout any plant there must be careful attention given to the collection of this scrap. Usually it goes to the reclaiming department with its source labeled, so that the proper shop and section can be credited.

A good deal of the success of any such plan depends upon the shop foremen. If they realize the value of seeing that every bit of scrap is picked up and properly handled by learning how the factory, as a whole, profits from this salvage, the system usually works better.

Prevention of waste, which is just as important as salvage, also depends to a large extent on the foremen. A company whose foremen are organized into groups and meet frequently has drilled economy and care into them so thoroughly that the workmen are reflecting it. They are learning "tool thrift," which assures better use of tools and material. The habit they are forming is working itself through the whole factory.

Few, indeed, are the washers and small pieces of stock left lying around a machine in that factory to be shuffled into the scrap without being used. Such stuff is scrupulously cared for and sent back to the stockroom.

When cotton waste is issued to foremen the stock clerk doesn't just say "How much, Bill?" and then hand over half a bushel or so. The stock clerk has estimated just how many ounces each machine man needs each week and he issues that amount. If a workman uses more than his allotment the foreman hangs around and finds out why. Perhaps the wastage is due merely to wrong methods; if so, the foreman shows the man the right way to do the job.

This same kind of thrift may be applied to the use of compressed air nozzles and gas jets. Let any plant manager walk through his works and observe the number of air hoses left blowing when they are not in use. He might observe also the number of times he found the air shut off at the nozzle and escaping through a leaky joint. A wall cock would have stopped this waste. Even air, if it be compressed air, can be economized.

The little bench gas furnace or soldering iron is a rank waster. Usually the gas can be turned down to pilot size between jobs—probably half the working day—but too often the man in the shop says to himself just what the unconvinced manager said: "It's more trouble than it's worth."

Perhaps it isn't obvious that turning off that air hose at the wall and turning down the gas between jobs are worth while. The losses are tiny. Perhaps, in itself, it doesn't seem worth while to wash the oil and grease out of waste and use that waste over and over again. Perhaps cleaning and mending



How
CADILLAC MOTOR CAR COMPANY
CONTROLS SHIPPING RECORDS

THE CADILLAC bill of lading is an example of how Standard Manifolding Registers are applied to issuing bills of lading. Four copies are written at one time—one for the customer, one for the railroad, one for the shipping clerk, and one for the main office. A complete, accurate record for every department at one operation—saving time—eliminating all possibility of error.

Let us send you samples of these forms, or let us send you samples of receiving record forms used by the Studebaker Company, or samples of forms and a reprint of an analysis on Sales Control Systems, for retail stores developed and used by the Winchester Repeating Arms Company in their stores throughout the United States.

Standard Registers Have Opened a New Field for Economy in Business

This register has exclusive features which have revolutionized the use of manifolding devices. The paper has rows of holes in the margins. These holes are engaged by pins on the feed roll. The paper can't slip either way. The Standard Register guarantees perfect registration on one or more colors of printed forms without any adjustments. It is easy to operate. One turn of the handle delivers the sheets—automatically measured—all of them exactly alike in size. No cumbersome mechanism, no springs or wearing parts. It provides an easy, comfortable position for writing.

These features give the Standard Register an efficiency and accuracy never before approached in a manifolding register. No matter how many carbon copies of forms are used, all will be perfect copies, in absolute alignment.

See the Holes
Kant-Q Slip

Our Service is Free

If you are interested in the Cadillac bill of lading—the Studebaker receiving record—or the Winchester system for retail stores, or in methods that will save expense, reduce overhead, give you better control of different departments and eliminate errors, just indicate on attached coupon the kind of forms in which you are interested and pin coupon to your letterhead. Our Service Department will provide you with samples of forms and suggestions that will aid in accomplishing the result you desire.

The Standard Register Company
67 ALBANY STREET DAYTON, OHIO

CHECK.
PIN TO LETTERHEAD

The Standard Register Co.,
67 Albany St., Dayton, Ohio.

Without obligation, send me booklet and samples of forms showing most modern methods of handling items checked below.

- ☐ Bills of Lading
- ☐ Express Receipts
- ☐ Invoices
- ☐ Shop Orders
- ☐ Purchase Requisitions
- ☐ Receiving Records
- ☐ Delivery Records
- ☐ Sales Records
- ☐ Stocks Records
- ☐ Piecework Records
- ☐ Departmental Orders
- ☐ Repair Orders
- ☐ Special Requirements
- ☐ Winchester Sales Systems

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FROM finest bond to the least expensive wood stock, every "Standard" envelope is the best of its kind.

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There is only one standard of quality in "Standard" envelopes—and that is ***"Standard" quality.***

The STANDARD ENVELOPE *Manufacturing Company*

1013 Oregon Ave., Cleveland, O.

leather gloves furnished to the employee may not look worth the cost. Perhaps the trouble of preparing half-worn interior brushes for use on rough outdoor work seems too great.

It may seem expensive to have men constantly scouring the factory grounds, searching for material worth salvaging.

Nevertheless, the sum of all these efforts, back-door efforts though they are, exerts a powerful effect on the front door, too.

According to Their Likes

(Continued from page 14)

in the parlor represents the acme of grandeur.

For a long time a certain furniture dealer in one of the smaller cities had a mysterious demand for one particular design in bedroom furniture. He finally learned the reason. It was the same design that was in the home of a leading family who were not only wealthy, but were generally looked upon as highbrows, astute in matters of furniture and furnishings.

Any manufacturer of farm implements knows that there is no advantage in a left-hand plow over the standard right-hand plow. Yet for years it has been necessary to put out a line of left-hand plows, simply to meet the demand in parts of Indiana and Ohio. Four-inch traces are almost invariably used on farm harness in Texas, but only three-inch traces in Ohio, even for the same kind of work.

In the American army units abroad it was noted that nearly every division had its own individual tastes in tobacco—according to the part of the country it came from. Some wanted one brand of cigarettes, some another. One division couldn't get enough plug tobacco, and others used almost no chewing tobacco at all. The Frenchmen liked one brand of American cigarettes, but it was a brand for which the Americans cared the least. This recalls, by the way, that in proportion to the total business, Providence, R. I., is said to use more plug tobacco than any other city in the United States, and I have been told that curved pipes sell best in Hoboken.

Even superstitions must be reckoned with in any big selling campaign. An American manufacturer once spent a vast sum to introduce his goods into China. He made a total failure—all because, as he later learned, he happened to use a trademark in which was a picture of a little dog. It seems that in China the dog is looked upon as an evil spirit. Similarly, wall paper and fabrics containing peacock designs have a restricted appeal, particularly in the South, because of the great number of persons who think that the peacock will bring them bad luck.

Fenton Labels and Seals STICK

YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

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Fastens easily to any desk; folds out of sight when not in use.

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"Last-minute work" would be faster and more accurate if you provided your typist with a *Ludington Copy Holder*. It keeps the notes up in front of her eyes, open at the right page, marked with a moving bar that follows the lines.

THE LUDINGTON COPY HOLDER

relieves stenographers and bill clerks of the fatiguing necessity of turning away to look at copy lying at the side of the desk. Holds one sheet or a thick book.

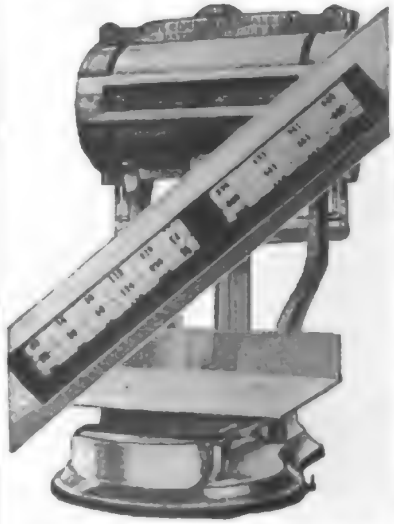
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Moneyweight Scale Co.
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Sales Distribution

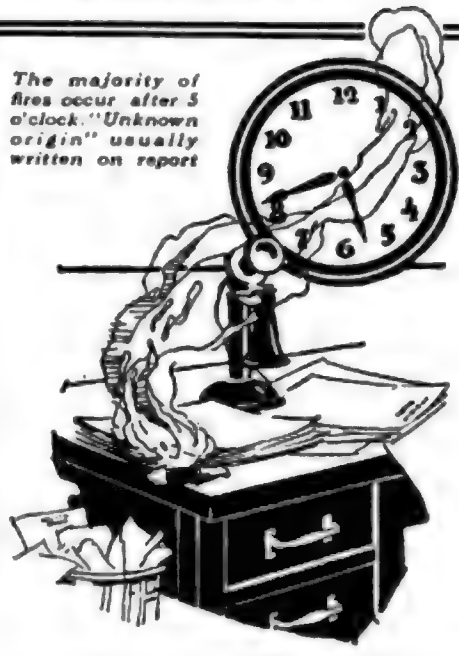
These buying whims vary not only in different parts of the United States, but in different sections of a city. He is a man of rare intelligence who can start a small neighborhood store and tell in advance just what articles he can most profitably sell. I heard of a merchant who opened a little shop in the Wall Street neighborhood and was about to stock up with pads and pencils, when his better judgment prevailed. He happened to reflect that nearly everybody thereabouts works in an office where pads and pencils are furnished. So, instead, he wisely laid in an assortment of candies, hair ribbons, and other odds and ends that nobody near him was offering. His business prospered.

A corner druggist was perplexed by the demand for snuff. He inquired and found this was due to the presence up the street of an old ladies' home. It was almost impossible in a certain department store to keep a stock of bright-colored celluloid penholders. All because an ingenious young woman had hit on the idea of sticking a feather into one of these and using it for a hat decoration. The idea caught on and spread all over the city.

For a long time a thoughtful druggist wondered why a highly meritorious tooth paste in his stock did not sell. One day a woman came in to buy tooth paste, started to indicate the brand the druggist had been wondering about, but flushed a bit and changed to something else. Then it came out that she was not sure she knew how to pronounce the French name of the brand she really wanted. After that the druggist had printed a little sign for that counter, on which he gave the correct English pronunciation of all tooth pastes, perfumes and other toilet articles bearing French names.

Candy stores situated near motion picture theatres nearly always do well—particularly in the suburbs. The obvious answer seems to be that the same people who like movies also like candy. But it is probably a little deeper than that. Maybe it is because a youth, when he takes his sweetheart to a picture show, feels that the evening's entertainment has been rather cheap as compared with the price of admission to a regular theater, and he can afford to show that his heart is in the right place by buying her a box of candy. Moreover, it is practicable to munch candy in the semi-darkness of a motion picture theater, whereas it might excite unfavorable comment at a spoken entertainment.

So it goes. Possibly if this whole question were studied to its logical end, the task would be one fit for the ablest of psychologists. But in a nutshell we may say that people everywhere have a tendency to buy what they think they want.



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REST assured when you lock your office at night that every book, every paper, every article of value is safe.

Remember "carelessness" and "cause unknown" are commentaries in the majority of fire reports.

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enable you to practically eliminate fire risk. They furnish safe, clean storing places for reports, records, etc., which represent time, labor and money to you. Papers which no insurance policy covers.

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STORAGE BATTERY *of the* MODERN OFFICE



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Gentlemen: Please send me your free booklet describing Terrell's Steel All-Purpose Office Cabinets. I am interested in reducing fire risk in my office.

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Your Needless Bill for Necessary Figuring

Look around your offices—do you see anybody figuring with a pencil or pen?

If you do, the chances are ten to one you are losing money on that operation. That's your needless bill for necessary figuring. There are mighty few figure jobs now a days that cannot be done quicker, easier, more accurately and for less cost with a machine.

Calculating machines are to figure problems what the typewriter is to correspondence. Without the typewriter you would have to get along with fewer letters or else pay much more for them, and if you are still using long hand methods of figuring you are paying the cost of a Burroughs Calculator many times over in wasted time and expensive errors.

As W. K. Calhoun of the W. J. Calhoun Dry Goods Company, Fort Scott, Kan., puts it:

"We used the long hand method of figuring until we found it cost us too much money. It required too much time and effort to train clerks, and their work was not accurate."

The Burroughs Calculator

Didn't Need Lessons

Take the case of Mr. Ames for example:

W. T. Ames is a bookkeeper and cost accountant with the Morgan Sash and Door Company of Chicago. He is 64 years old and has been at it for nearly 40 years. Before he took his present position he had never operated a figuring machine of any sort.

"When I started here," said Mr. Ames, "I found I could have the use of a Burroughs Calculator if I wanted it. After trying the machine for a few days I decided I *did want it*—very badly, and I didn't find it necessary to take any lessons either. It was easy.

"Today, I figure that I save at least 60 per cent of my time by doing my figure work on the machine."

F. E. Watson, office manager, says: "Many hours of time are saved each week on miscellaneous work alone. The time saving resulting from the use of Calculators on major calculating jobs—checking estimates, figuring pay rolls, extending invoices, figuring costs, etc., is, of course, much greater."

More Than Pays for Itself

F. E. Belden of the Belden Electrical Supply Company, Joplin, Mo., writes:

"If I could talk to every wholesaler in the country, I would say 'get a Burroughs Calculator. You can't afford to be without it.'

"We use the Calculator for figuring and checking invoices, and find the machine more than pays for itself in the time saved in making extensions, figuring discounts, and getting totals.

"In normal times we have about sixty out-going invoices every day. Figuring and checking these used to be a long, tedious task. With the Calculator this work is done in about one-third of the time it used to take.

"Although we have not had the machine long, we have already caught two errors of about $40.00 and several running around $10.00. Do you wonder that we feel that we could not get along without this money and time-saving machine."

The Calculator

This handy little machine—easy to learn, easy to operate, will figure invoices, pay rolls, costs, inventories, discounts, sales distribution, production charges, engineering calculations and anything involving addition, subtraction, multiplication or division.

Ask a Burroughs man to show you what the Burroughs Calculator is and what it will do for your business by reducing figuring costs and preventing expensive errors.

The A B C of Business

Adding, Bookkeeping and Calculating represent the three great groups of figuring operations that constitute the A B C of Business. To handle these operations the Burroughs Adding Machine Company manufactures three types of machines in many styles and sizes, that will fit the needs of any business, large or small.

Get in touch with the nearest Burroughs office, or write direct to the Home Office at Detroit, Michigan.

Burroughs

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An L. B. Sales record will help you dig up business—

There is plenty of business—*somewhere!* Orders are waiting right now for the sales manager who takes off his coat with a smile and lays out an aggressive sales compaign. *"1921 will reward fighters."*

The L. B. Sales record will help you dig up business. Any hour of any day it will give you the following facts:—

1. A classification of all customers by business.
2. What customers have not bought recently.
3. What prospects ought to be called on.
4. Amount sold by each customer by lines.
5. What lines are selling best in each territory.
6. Total business of each territory.

Right now is the time for you to decide where you are going to be on December 31. *1921 will make or break many a sales manager!*

You can easily find out all about the L. B. Sales record and how it will help you. A post card or telephone call will put you in *direct* touch with the world's largest manufacturer of card record and filing equipment.

Write for sales record folder No. 615

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Card and filing systems

Filing cabinets wood and steel

Founded 1876

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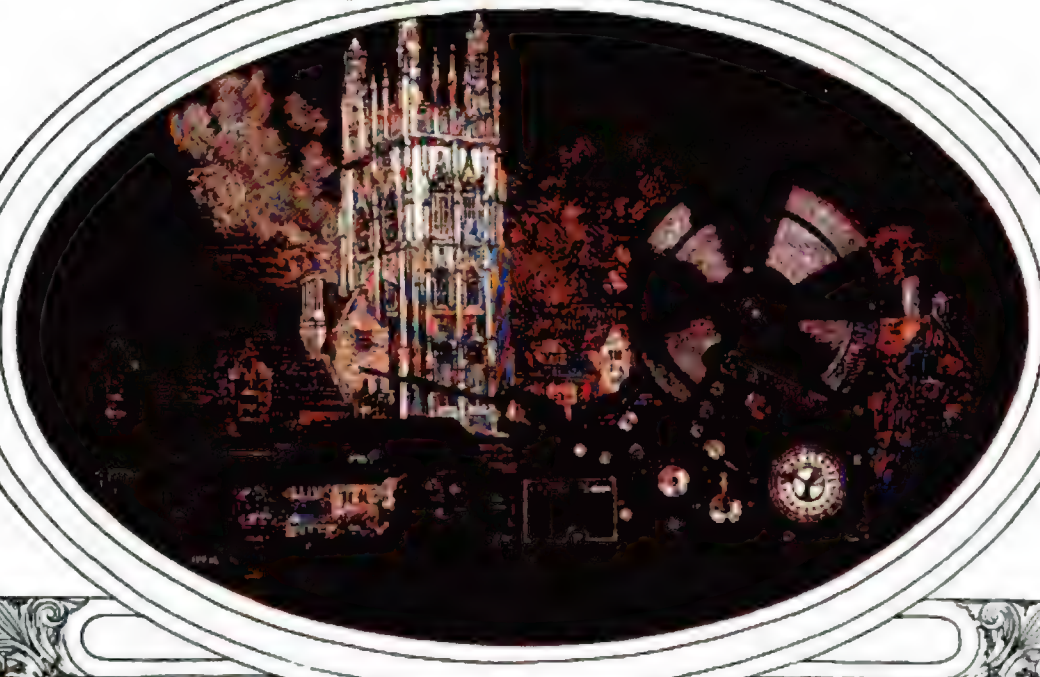
New York 316 Broadway

Philadelphia 910 Chestnut street

Chicago 6 N. Michigan ave.

Albany, 51 State street
Atlanta, 102 N. Pryor street
Baltimore, 14 Light street
Birmingham, Vault Flour, Jefferson County Bank bldg.
Bridgeport, 949 Main street
Buffalo, 120-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 203 Hubbell bldg.
Detroit, 1416 Washington blvd.
Fall River, 29 Bedford street
Hartford, 38 Pearl street
Houston, 1116 Texas avenue
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Louisville, Ky., 508 Republic bldg.
Milwaukee, 620 Caswell block
Minneapolis, 428 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 637-639 Oliver bldg.
Portland, Me., 665 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1221-24 Mutual bldg.
St. Louis, 805-815 Arcade bldg.
St. Paul, 131 Endicott arcade
Scranton, 409 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 401-407 Gurney bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N. W.
Worcester, 527 State Mutual bldg.
F. W. Wentworth & Co.
San Francisco, 538 Market street
Seattle, 108 Cherry street
Oakland, 305 Thirteenth street
McKee & Wentworth,
Los Angeles, 440 Pacific Electric bldg.
Parker Bros.,
Dallas, 109 Field street
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It saves floor space, gives 25% more filing capacity, makes filing easier.

This is the only five-drawer correspondence filing cabinet made.

A real economy in any office.

BAKER-VAWTER COMPANY

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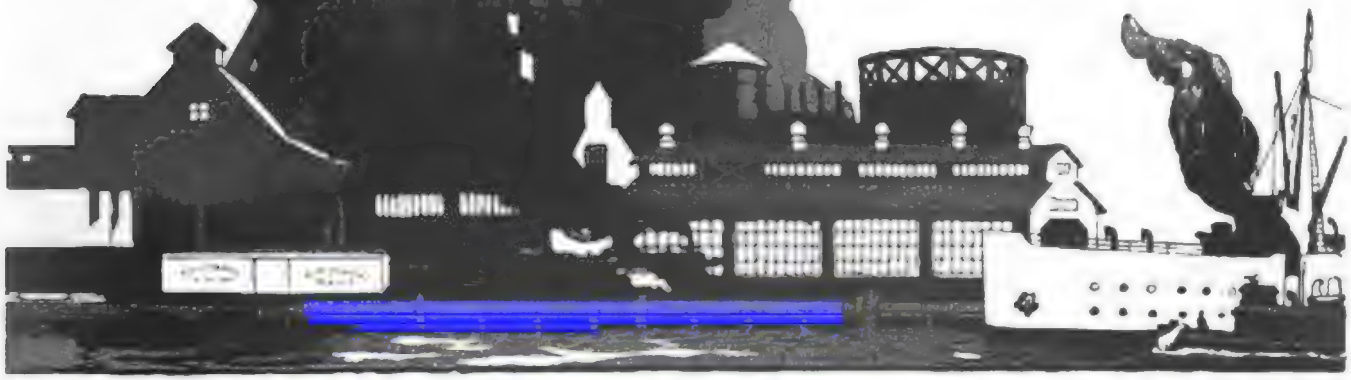


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BUSINESS



VOLUME TWO
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JULY, 1921

LUCIEN KELLOGG, *Editor*
A. B. LINENBERG, *Business Manager*

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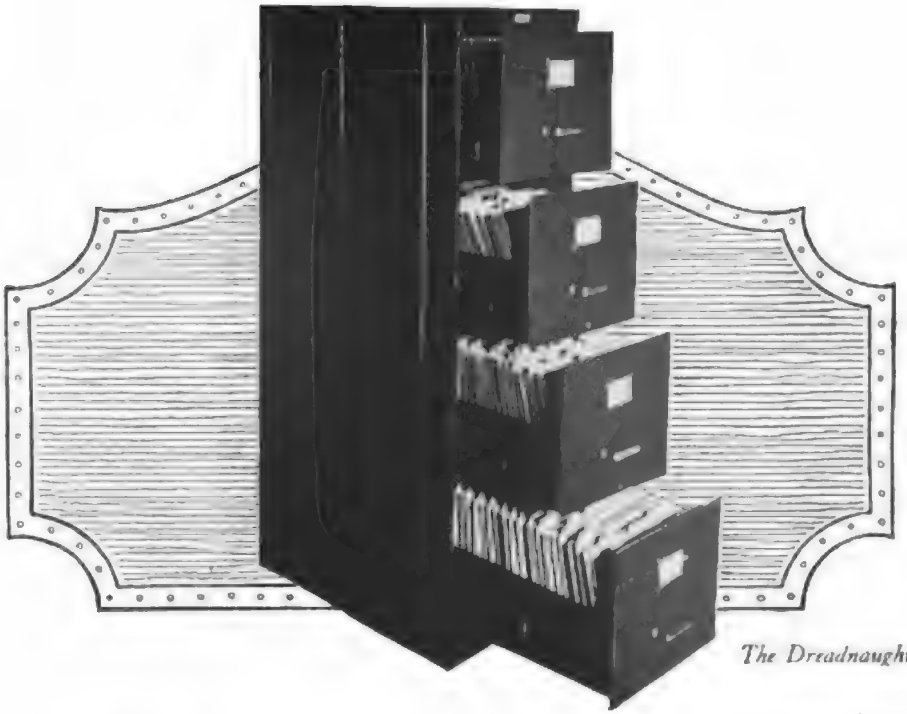
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Used 50 Years in 2 Weeks This Rugged File for only $35

It's a remarkable price for a remarkable file; and, frankly, we're able to sell it for only $35.00 because it gives us quantity production, and thus cuts our costs to a minimum.

To test its strength and utility and the permanency of its welded one-solid-piece frame, a loaded drawer was continuously opened and closed 100,000 times.

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BUSINESS

To Unlock the Inland Seas

By W. L. Harding

Chairman of the Iowa Waterways Commission and Former Governor of Iowa

ONE OF THE BIG, vitally important problems before the American people today is the problem of transportation. Economically, transportation means moving goods from the producer to the consumer. We all are consumers; hence we all are interested in transportation. Directly or indirectly, on everything that we buy or use, we all pay freight.

To the business man, dealing in raw materials or merchandise or both, freight is an expense that he must make his own. Every increase in the cost of transportation increases by an equal amount his cost of doing business or the price that he must charge his customer. Every delay in the delivery of goods, either as they come to him or as they go from him to his customer, slows down by just that much the progress of his enterprise.

It is fair, then, that we should ask ourselves these questions: Is our transportation system adequate—adequate to the needs of the present and the needs of the future? Are freight charges more than the traffic should be asked to bear? Can the system be improved? Are we using all the means at our command to carry goods most quickly and most cheaply from producer to consumer?

From a figurative mountain-top contemplate for a moment our economic panorama. To supply the needs of our people there are, generally speaking, two great movements of commodities. Grain, foodstuffs and raw materials move eastward; manufactured products move westward. In simplest terms, the West is our source of supply; the East is our factory. Raw materials go east to be fabricated and return west to be consumed.

Consider these centers of production, as determined by the census bureau: wheat in Southeastern Nebraska, corn in Illinois, oats in Southeastern Iowa, potatoes in Southeastern Wisconsin, wool in Wyoming, beet sugar in Western Colorado, sheep in Northern Colorado, cattle in Western Kansas, hogs in Southeastern Illinois, iron ore in Northeastern Minnesota, packed meats in Iowa.

All these, the grain, the foodstuffs, the raw materials, move eastward; and most of them move, not steadily, but periodically with the seasons. Westward, simultaneously and periodically, move the manufactured products, the textiles, the shoes, the steel, the hardware, all the hundreds of manufactured things that man buys and consumes.

But—and here is the heart of our domestic transportation problem—the materials moving eastward and the merchandise moving westward travel the same beaten track. It is a track that the railroads have made, a track that stretches its narrow length from the center of the Mississippi Valley northward to Chicago and Duluth, and



Steamships as big as this may be as familiar some day to Chicago and Buffalo as to Boston and Hoboken.

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thence eastward through the Great Lakes region to the seaboard and into New England. East and west, back and forth along this great causeway of cinders and steel must move the bulk of the things that Americans must have to live. From the farms along that track come 80 per cent of the wheat, 74 per cent of the live stock and 69 per cent of all the crops produced in this country.

Every year, as regularly as come the fall and winter, the railroads get into difficulty and there is trouble along that beaten track. Cars are short. Wheat cannot move eastward to its waiting market because there are not cars enough to carry it. Merchandise gathers dust in New England warehouses and coal waits at the mines in Pennsylvania and West Virginia because cars are scarce. The machinery of commerce falters. Prices fluctuate.

The shortage of cars, however, is not a cause, but merely an effect. The cause lies deeper—in the condition of the railroads and the conditions that surround them. Overtaxed before the war, restricted in improvements and extensions to their facilities during the war and hampered by excessive costs and tightened credits since the war, the railroads simply cannot handle the traffic that is thrust upon them.

As their costs have risen, the railroads have raised their freight rates. Today, in transportation tolls, New England is nearer to the wheat-yellowed plains of Argentina than to the prairie farms of our own Middle West. For copper that comes from Montana and goes to New Jersey, the longest way 'round—by water by way of Puget Sound, the Pacific, the Panama Canal and the Atlantic—is the cheapest way home.

The East, the South, the West, all may go down to the sea in ships and with ships they may trade with each other. The Middle West alone, vast in its resources and tremendous in its demand for goods, but dependent upon expensive and uncertain railroad transportation, is marooned. So long as the Middle West is left thus isolated, so long will our problem of national transportation remain unsolved.

The Middle West, too, must have its way to the sea. The route of that way, as yet unopened, lies through the Great Lakes and the St. Lawrence river to the Atlantic.

Picture the Great Lakes as they are. Strung together in a chain, they form a great inland sea that penetrates the American continent for nearly 2,000 miles. Along their shores, from end to end of the chain, are a score and more of great cities, cities that have excellent harbors and that today would be great inland seaports, if nature, when she fashioned the chain, had not left something for man to do.

JUST as they are, and just among themselves, the lakes have built up a vast maritime commerce. Their tonnage exceeds the water traffic of the Mediterranean and the Black Sea combined. Lake Superior's commerce exceeds the combined movement of vessels through the Suez and Panama Canals. Iron ore and coal, grain, flour, steel rails, lumber, oil—all these ride in Great Lakes ships.

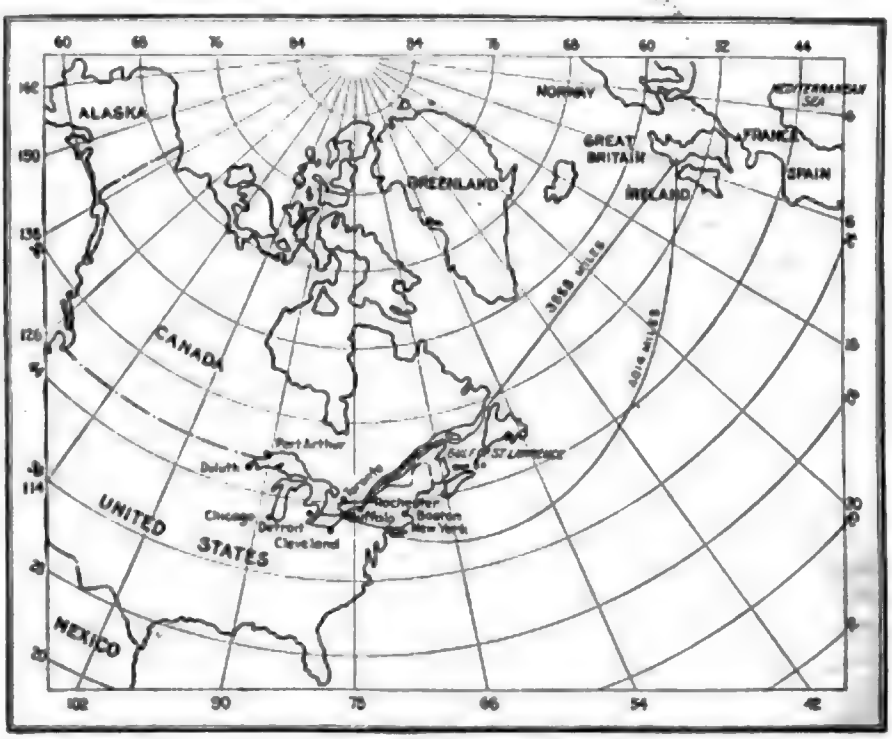
Great Lakes commerce has evolved a Great Lakes type of vessel. In Great Lakes nomenclature, every ship, any sort of vessel, is simply a "boat." But simple as is its name, a Great Lakes boat may be—and usually is—what the Great Lakes, in grand disregard of gender, calls a "big fellow." And a "big fellow" is 500 to 600 feet long along her straight line keel and 50 to 60 feet wide across her midship section. She has a hold that will carry 12,000 tons of cargo, and she has speed enough to plow her way from Buffalo to Duluth and back to Buffalo in ten to twelve days.

But lower than Buffalo the "big fellow" cannot go. Nature, in all her beneficence, has land-locked the lakes. Erie, at its lower end, plunges over the precipice that is Niagara Falls and boils through the chasm that is the Niagara Gorge to reach Lake Ontario. Ontario itself is land-locked at both ends—above by the falls and the gorge of Niagara and below by the rapids of the St. Lawrence. Between the level of the lake at its outlet and the level of the river at Montreal is a fall of 221 feet, but a fall that is graduated into a string of rapids, interspersed with two fair-sized lakes. The rapids begin at Ogdensburg, New York. Below the first rapids lies Lake St. Francis, thirty-one miles long. Then come more rapids and below them Lake St. Louis, sixteen miles long, then more rapids and then Montreal—and beyond Montreal the straight St. Lawrence, with its channel running to the sea.

In past years man has tried to pick nature's lock on the lakes. To a limited extent, by building canals, he has succeeded. The Welland Canal at Niagara, another canal between Lake St. Francis and Lake St. Louis and still another canal at Montreal enable vessels of limited length and draft to go down the river from Ontario to the Atlantic. But many canals mean many delays. Besides, the limits in length and draft are critical. The present-day Welland Canal, for instance, has locks that will take a vessel only 250 feet long, or less, and with draft to correspond to that length. By the standards in lake vessels of today, a 250-footer is a pygmy.

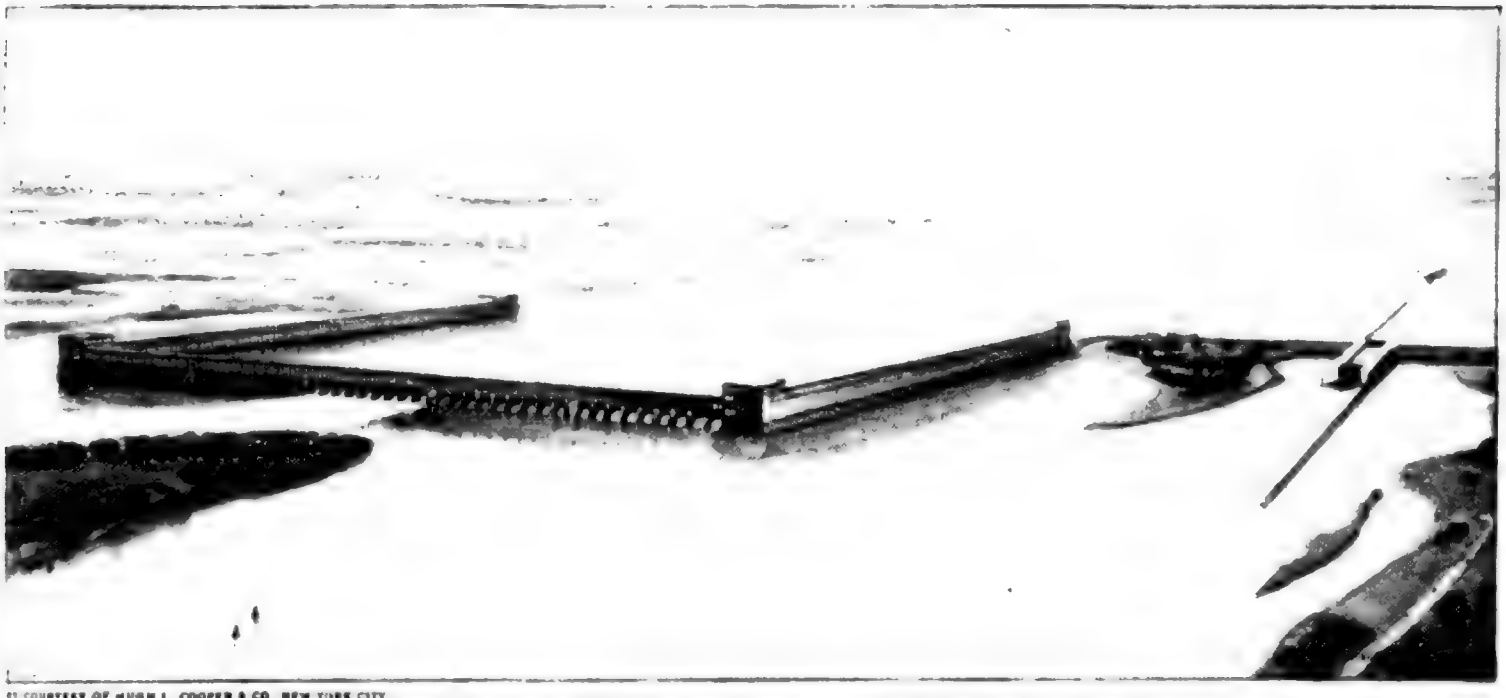
The Welland Canal, lying wholly in Canadian territory, is an all-Canadian property. On their own part, the Canadians are enlarging their canal, lengthening its locks to 800 feet and increasing its depth to 30 feet. But the rest of the job of unlocking the lakes, of opening the Middle West's way to the sea and of making inland seaports of the fresh-water harbors, is an international affair.

With the exception of Lake Michigan, the Great Lakes lie along the boundary line between the United States and Canada. The waters of the lakes, as provided by treaty, are under international jurisdiction. In its upper portion the St. Lawrence River likewise is boundary water and likewise is under treaty regulation; in its lower course the river flows through



From Buffalo to Liverpool by way of the St. Lawrence River, 3,558 miles; by way of New York City, 4,014 miles

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COURTESY OF HUGH L. COOPER & CO., NEW YORK CITY

From a prospective drawing of the proposed St. Lawrence development at St. Regis, New York, and Cornwall, Ontario

Canada. Under old treaties, however, and for the purpose of navigation, the entire stream is open to both countries equally. Any proposed diversion of its waters, therefore, is an international question; and any engineering work for the improvement or development of the river would be an international undertaking.

The Treaty of 1910 created a joint international commission whose six members, three for the United States and three for Canada, were vested by their respective governments with authority to represent those governments in all matters affecting the boundary waters. Under instructions from the American Congress and the Canadian Parliament this commission has spent the last fifteen months in making surveys, holding hearings and taking evidence to determine whether it would be feasible for the two governments to join in a project to open the lakes fully to ocean commerce. Its investigation completed, the commission is to report to the two governments on the general question of feasibility, and, if it considers the project feasible, to recommend a specific plan of action.

Meanwhile, the Middle West has organized a semi-official body, known as the Great Lakes-St. Lawrence Tidewater Association, the purpose of which is to further the improvement of the St. Lawrence route. Basically, the association consists of a council of states—Illinois, Michigan, Wisconsin, Minnesota, Indiana, Ohio, Iowa, North Dakota, South Dakota, Montana, Idaho, Wyoming, Colorado, Nebraska, and Missouri. Each of these states is represented in the association by its own waterways commission, and, in the cases of three of the states—Michigan, Wisconsin and Minnesota—the representative commissions are bodies created by special acts of the state legislature. The president of the association is Horace C. Gardner, of Chicago. Charles P. Craig, of Duluth, is the vice-president at large and the executive director.

Without forecasting the report of the international commission—the report that will determine the feasibility of the project and recommend whatever engineering expedient is held to be best—one may discuss with propriety and without prejudice the St. Lawrence engineering situation and arrive at certain conclusions as to how the work could be done.

TWO possible methods suggest themselves. One of these is to cope with the rapids in the St. Lawrence by digging additional canals and by enlarging the present channel. The other is to deepen the existing channel below Ogdensburg by constructing a dam, or a series of dams, that would drown out the rapids, retard the swift current of the stream and enable vessels to navigate with safety and with speed the present river bed. Of the two methods the latter finds most favor among engineers.

Specifically, one favored proposal is that at the point where the international boundary line leaves the St. Lawrence—at St. Regis, New York, on the American side and at Cornwall, Ontario, on the Canadian side—the two governments construct one huge dam, high enough and stout enough to impound the water of the river for the entire distance of 113 miles back to the outlet of Lake Ontario; then, that the existing canals in the route be widened and deepened sufficiently to permit the easy passage of vessels. In this phase of the project, since it affects only international waters, the United States is directly interested.

To build the dam and to widen and deepen the present channel, wherever widening and deepening may be necessary after the dam is built, would cost about $250,000,000, of which the United States would pay one-half. A great deal of money? It is. But it would represent an investment less by $125,000,000 than our investment in the Panama Canal. It would be an investment that, aside from its tremendous dividends in savings in transportation costs, would pay for itself in another and a much more direct way.

Falling water possesses potential energy. We need but direct its fall against the vanes of a turbine to translate that energy into terms of useful horsepower. It is estimated that the St. Regis dam, with the flowing water harnessed to hydro-electric generators, would gather 2,000,000 horsepower of energy at the power-plant switchboard. Considered solely as a power-tapping project and even if it, alone, should cost the entire $250,000,000, the St. Regis dam would be a good investment. Many a purely hydro-electric development built solely to transform energy has cost more than $125 per horsepower. But it must be remembered that in this case the electric power would be merely a by-product.

Our concern is chiefly with the broader view, with the effect that this opening of the Great Lakes to the sea would exert upon our transportation and our commerce.

Before the war it was commonly accepted that freight, particularly bulk freight, could be moved five miles by boat for the cost of moving it one mile by rail. Many experts now hold that, at the present freight rates, the advantage of water movement over

(Continued on page 37)

Builders of Retailing Science

By Comparing Notes On Their Methods, Six Middle Western Department Stores Are Discovering a Lot Of Unsuspected Truths About Retailing

By Arthur H. Little

SCIENCE IS DEFINED as "accumulated and accepted knowledge that has been systematized and formulated with reference to the discovery of general truths and the operation of general laws."

Retailing science, then, would consist of accumulated and accepted knowledge that has been systematized and formulated with reference to the discovery of general truths and the operation of general laws about retailing. What is known? What has the other fellow learned? What facts have practice and experience established? What has pure research determined? A true science of retailing, if we are to have such a science, would consist of the answers to these questions.

Easily enough may we set down what we ourselves know. But our science needs, too, the other fellow's knowledge. And if the other fellow happens to be a retailer, sitting in on the serious game of business and reluctant to tip his mercantile hand to eager-eyed competition, then, as the founders of a new science, we encounter difficulties.

But between a retailer in Boston, say, and a retailer in Washington there is no competition. If the two can arrange between them for the interchange of retailing knowledge, of general truths and of general laws as these are revealed to each of them in watching his own business, then neither need suffer by what he tells the other, each may profit by what the other tells him and between them they may lay the foundation of a science of retail store management. That is what the department stores of the country have begun to do.

There is, notably, the Retail Research Association. This is an organization whose nineteen department stores, each independent in ownership and management but all grouped together for the interchange of knowledge, form a chain that stretches its length from Boston to Seattle. Among them there is no competition, for nowhere in the chain is there more than one association store in a single city. The common point of contact is a central bureau, a clearing house of information, situated in New York City. On its own part, each store has a research bureau of its own, a bureau that has just two jobs, the gathering of information about conditions, problems and methods within the store and the forwarding of this information to the central bureau in New York. In New York the assembled knowledge from all the nineteen stores is systematized and formulated, set down in the form of reports, statistics, charts and the like, and passed on to the executive heads of the member stores. There you have the beginnings of a science of retailing.

The Retail Research Association is an organization of big stores. It is a big-league enterprise, with tremendous resources at its command wherewith to vitalize its big-league spirit. But for every Filene's and every Hudson's and every Taylor's in the big-league cities of the country there are a hundred three-story department stores in the Main-Street towns of the minor leagues. These, too, need a science of principles and truths and general laws by which to guide their practice; and these, too, have made their beginnings toward the formulation and systematization of such a science. Their conditions and their facilities differ from the conditions and the facilities of the "big fellows," and to this difference they have adapted the technique of their science-building.

On a map of the Middle West start at Lincoln, Nebraska, and draw a line northeastward to Fort Dodge, Iowa; continue the line through Cedar Rapids and Davenport, Iowa, to Rockford, Illinois; then turn sharply about and carry your line southwesterly back into Iowa through Burlington and thence due westerly across the state into Nebraska and to your starting point at Lincoln.

You will have described an angular and somewhat erratic ellipse and your ellipse will describe the locale of another association of light-seeking, science-building department stores. This association, smaller than the Retail Association and made up of smaller units, is known as the Mercantile Research Group. In the group are six stores: the Rudge & Guenzel Company, of Lincoln; the Tuerke Mercantile Company, of Fort Dodge; the Denecke Company, of Cedar Rapids; the M. L. Parker Company, of Davenport; the Ashton Dry Goods Company, of Rockford, and the John Boesch Company, of Burlington.

Originally there were seven stores in the group, one of which has since withdrawn. The scheme of organization is just about the simplest possible. The group's only officer is a chairman; and even he is elected "by rotation." Once a month, and every month,

SUPPLEMENTARY SCHEDULE NO. 1.
PERCENT OF TOTAL MONTHLY SALES TO ENTIRE YEAR'S SALES.

MONTH	1	2	3	4	5	6	7
NOVEMBER	9	NR	9	10	8	9	7
DECEMBER	11	NR	11	13	12	13	11
JANUARY	6	NR	7	7	7	9	8
FEBRUARY	7	NR	6	6	7	5	6
MARCH	8	NR	9	9	9	7	9
APRIL	8	NR	8	8	8	8	9
MAY	9	NR	9	9	9	8	8
JUNE	10	NR	9	8	7	11	9
JULY	7	NR	7	7	6	6	8
AUGUST	7	NR	8	7	8	7	7
SEPTEMBER	9	NR	8	7	8	6	8
OCTOBER	9	NR	9	8	11	10	9
PERCENT OF TOTAL GROUP BUSINESS	14	NR	8	19	16	18	25

SUPPLEMENTARY SCHEDULE No. 2
YEARLY TURNOVER

STORE	RATE RANGE
1	6
2	6 1/4
3	6 1/4
4	6 1/4
5	6
6	6
7	6 1/4

SUPPLEMENTARY SCHEDULE NO. 3
BAD DEBT LOSSES

STORE	%
1	1.8
2	2.3
3	2.3
4	1.8
5	1.9
6	1.3
7	2.1

SUPPLEMENTARY SCHEDULE NO. 4
PERCENTAGE OF EACH CLASS OF ACCOUNTS

STORE	REGULAR %	CONTRACT %	EMPLOYES %	C.O.D. %
1	84.0	-	7.0	9.0
2	84.2	-	11.0	5.0
3	78.0	8.0	13.0	1.0
4	77.0	3.0	12.0	8.0
5	81.0	12.0	2.0	5.0
6	68.0	20.0	5.0	5.0
7	68.0	20.0	5.0	5.0

SUPPLEMENTARY SCHEDULE NO. 5.
PERCENTAGE OF CREDITS TO CHARGE CHECKS

STORE	%
1	4.4
2	2.0
3	2.3
4	4.2
5	4.6
6	4.6
7	6.3

SUPPLEMENTARY SCHEDULE NO. 6
PROPORTION NEW ACCTS TO REGULAR ACCTS.

STORE	RATIO
1	19
2	16
3	52
4	80
5	17
6	15
7	[illegible]

SUPPLEMENTARY SCHEDULE NO. 7.
COST PER POSTING

STORE	PER DAY	PER P/TG
1	8.85	.0[illegible]
2	18.69	.06
3	16.17	.0[illegible]
4	22.09	.054
5	21.71	.051
6	109.11	.13
7		

SUPPLEMENTARY SCHEDULE NO. 8.

EXPENSE	STORE'S PERCENTAGE						
	1	2	3	4	5	6	7
SALARIES	1.3	2.3	1.1	1.1	.6	1.0	
[illegible]	.2	.2	.2	.1	.1	.1	
STATIONERY	.1	.2	.1	.1	-	-	
CLERICAL SERVICE	.1	-	-	-	-	.1	
COLLECTION EXPENSE	-	.1	-	.1	-	.1	
TOTAL	1.7	2.8	1.4	1.4	.7	2.1	
% CHG SALES TO TOTAL GRP CHG SALES	5.0	5.0	12.0	15.0	29.0	34.0	

Chart of comparisons of credit department data, compiled when the Mercantile Research Group consisted of seven stores. Note the scope and detail of the chart, from the distribution of charge sales by months to the cost of posting accounts receivable

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there is a group meeting, held at one of the group stores and attended, generally, by the presidents and general managers of the member stores and often by the advertising managers, buyers and other executives that may have a special interest in some line of study in which the group happens to be engaged.

Always the group is studying something. As to parliamentary manner the meetings are as purely informal as a chance gathering of men in a parlor car; but there is nothing haphazard about the business of the meetings.

Consider, for instance, a typical session of the group. Present are six general managers, a couple of presidents, five credit managers, two or three assistant credit managers and possibly a couple of auditors. The subject before the meeting is credits.

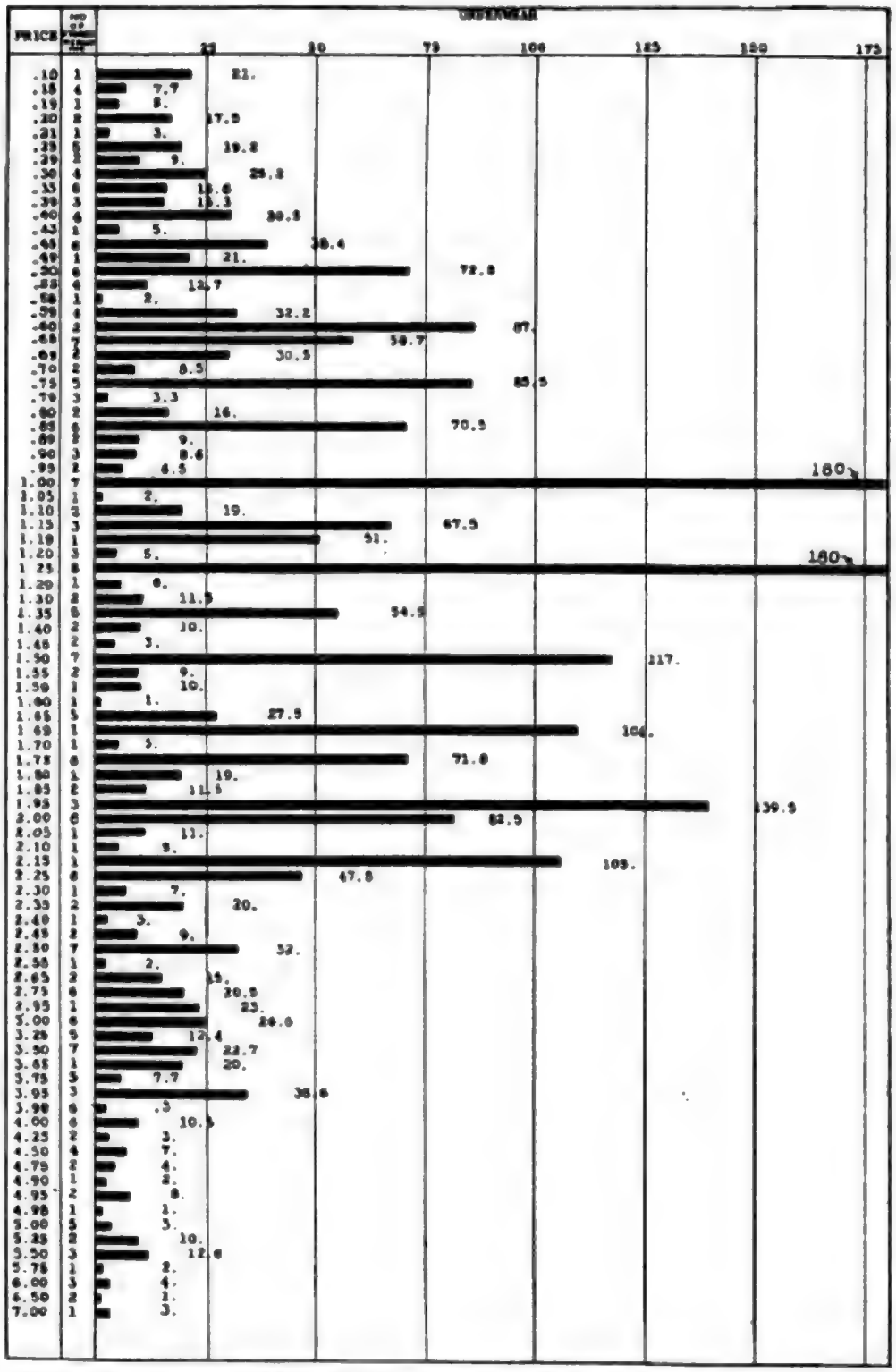
Somebody is reading aloud from a book, a limp-bound book, whose fifty or sixty pages are typewritten text, interspersed with photostated charts and blueprinted graphs. Lying on the long table in the center of the room, or in the hands of the conferees, are five other books, all exactly like the one from which one of the credit managers, his chair tilted back against the wall, is reading aloud.

"I'd like to ask about one thing here," he explains, and from the limp-bound book he reads aloud this passage: "The charge sales for this store represent fourteen per cent of the business done. This is by far the lowest percentage of charge business reported by any store in the group. It indicates that there are large possibilities for expansion in charge business."

He closes the book and addresses the assembly: "Now, what I want to know is this: Is this a good time for expanding our charge business? With money as tight as it is, what is the answer to the question of building business safely? What are you other fellows doing? Are you expanding your charge business; and, if you are, how are you doing it? Have you loosened up your credit limits; and if you have loosened up, how are your collections coming in?"

A boyish-looking, heavy-set chap, seated half-way down the length of the long table—despite his youthful appearance, he is the president of one of the member stores—looks up from his copy of the book and grins.

"You've touched on a tender spot," he says. "It's like advertising. We have certain *beliefs* about advertising; but when we get into a pinch, sometimes, our beliefs don't square up with what we *do*. About advertising we believe that we ought to do more of it when business slows down; and yet all of us, this year, have cut down our



What prices are most popular? This chart of comparisons in sales of underwear—compiled when the group consisted of seven stores—shows the number of suits of underwear sold in one month at each of eighty-seven prices. Note the number of sales at $1, $1.25, $1.50 and $1.95

percentage of advertising outlay. And so it is with credits. The theory is that when money is tight it is because everybody in the world has tightened up on credits. Hence, to relieve the stringency, everybody ought to loosen. But everybody in the world thinks first of his own safety; he admits the theory, but he waits for the other fellow to loosen first. My concern, for instance, is sitting pretty tight on credits."

"Same here," testifies a man across the table; "we're standing pat."

"We've tightened up on credit limits," says another, "and we've thrown more weight into collections. This week I doped out some new collection letters, all form stuff, but all the letters tied up with each other. We're using them now. Here they are."

From a brief-case he draws forth a sheaf of form letters, clipped together in an upper corner. Silence ensues while the letters are passed from hand to hand and read. And so it goes; and so you have a cross section, lifted out of one of the day-long, monthly conferences of the Mercantile Research Group.

That book, that limp-bound volume of typewritten text and photostated

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	PERCENTAGE OF BUSINESS EACH MONTH DURING 1919											
	JAN.	FEB.	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1	5.40	4.83	7.05	7.55	8.32	8.12	7.17	8.88	8.56	10.46	10.45	13.23
2	5.89	4.87	7.98	7.89	7.61	7.04	6.97	7.12	8.56	9.92	9.70	16.45
3	6.75	5.93	8.41	8.53	8.67	7.59	7.01	7.03	8.76	10.11	9.45	11.76
4	6.63	5.50	8.54	8.18	8.47	8.09	6.17	7.62	7.36	9.06	10.87	13.71
5	5.04	4.16	7.96	7.88	8.86	7.61	6.64	9.24	8.62	10.39	9.74	13.86
6	6.50	5.20	9.03	9.04	9.43	7.40	6.23	7.12	8.69	10.07	10.38	11.91
7	10.72	6.26	6.60	6.94	8.13	8.82	6.61	6.92	9.08	10.22	8.62	13.68

In what month is the peak of department store sales? In what month the lowest point? Members of the Mercantile Research Group study these figures on "the other fellow's" business and question him about the methods by which he produced his volume

charts and blueprinted graphs, is a focus of attention at every group meeting. It is a remarkable book; and behind it, so it would seem, must be a remarkable author—an author amazingly energetic, fearsomely conscientious and vastly prolific. Every month he writes a new book, a different book, a book just as bulky as his preceding volume, just as bristling as to facts and profuse as to illustration in charts and graphs. And the ground that he covers! Not some mere detail of condition or method, but a picture every month of some broad phase of management—such as credits—and how it is handled in each of the six stores. In his book on credits, for instance, he described, in detail, the credit department in each store, told right out in print what salaries the credit manager and his assistants—if any—received, specified concerning credit department equipment and methods, and then lighted up his work with spreads of charts that visualized such illuminating details as the monthly distributions of charge business, the rates of turnover in collections, the percentages of bad accounts, the ratios between accounts of various kinds, and what not.

Surely, one is convinced, the author of that book must be a marvel. But now the secret comes out. The author is not one individual; he is a whole group of individuals, a whole staff of experts, a concern of certified public accountants retained by the year and assigned from month to month to some specified line of research—such as credits—in the group stores. For the services of these trained investigators the cost to each store in the group is less than the salary of a junior clerk in one of the accounting departments.

At each of its monthly meetings the group decides the line of the next investigation. Forthwith the firm of accountants devises a detailed questionaire, a copy of which goes out to each of the stores. In the case of the comparison of credit conditions and methods, for instance, the questionaire began with these inquiries: "Have you a man whose time is devoted to opening new accounts?" "Has he an assistant or assistants, and how many?" "What are the individual salaries, including that of the credit manager?" "Is anyone except the credit manager permitted to approve charges, even for small amounts?" Starting thus with generalizations, the questions progressed into matters of detail, into working hours, equipment in the credit department, methods of collections. Then came figures—figures on totals of sales, totals of charge accounts, average accounts, collection turnovers, "regular" and contract accounts, employees' accounts, bad accounts, credit department costs.

Then, in the office of the accountant firm, all this information, as brought in by the questionaire, was "systematized and formulated" and set down in descriptive English and more specifically descriptive mathematics, charted and graphed for the purposes of detailed comparison, and bound together in that limp-bound book on credits that went out to the six stores.

CONDUCTED thus, the monthly surveys of conditions and methods in the six group stores have gone into the subjects of store expense, merchandise prices, sales quotas, inventories and their proportion to sales, mark-up, departmental percentages of total sales and even into the ratios between assets and liabilities as shown on the balance sheets.

All this has gone into those limp-bound books that now are growing into a respectable library of retailing science. But the interest of the Mercantile Research Group is more than merely academic, more than merely literary. Those books have a practical purpose. Knowing what is wrong—or what is right—is the point from which to make a beginning. The next step is one of action.

There was, for instance, the case of the investigation into store expense. The comparative tables displayed, among other revelations, the individual store expenses for lighting. To Alfred C. Torgenson, president of The Denecke Company—the Cedar Rapids member of the group—it appeared that his own company's lighting bill, as compared with that item of expense in the other stores, was strangely high. The Denecke president called in an electrician and told him to look about. The electrician came and looked about. He traced the wiring and made a report that saved the Denecke Company about $400 a year. He had found two grounded wires on one line and on another line two busy meters that for years, all unsuspected, had been ticking off current for which the Denecke Company was paying twice.

In one of the merchandise comparisons, as another example, one of the stores was markedly low in sales of hosiery.

"What do you suppose is wrong?" the general manager of this store asked the group conferees.

"Where is your hosiery department?" asked one of the other managers. "On the fourth floor, isn't it?"

"Yes."

"Well, that's what's the matter with it. A hosiery department belongs on the ground floor."

The assembled executives nodded agreement.

Two days later that backward hosiery department was moved from the fourth floor down to the first. It lost its backwardness.

At another conference the group studied comparisons of sales in selected lines of merchandise. One store showed a peak in wash goods; another was high in suits. Why? "We started earlier than usual—advanced the season," an executive of the first store explained. "Same here," echoed a representative of the second. Six stores in six different cities in the Middle West are now starting their sales of wash goods and their seasonal drives on suits "earlier than usual." They have all increased their business.

One concern in the group started, as a new department, a "girls' store." The five others watched the progress of that venture. Convinced of its success, they started "girls' stores" of their own. Another store established a serve-self grocery department. Through the medium of their group comparisons, the other stores looked on for a while, then opened serve-self grocery departments of their own.

Science, however, is not static. It grows and moves and changes. That

(Continued on page 30)

Better Light, Better Business

How the Work of the Lighting Engineer Increases Production, Promotes Safety and Reduces Waste—and All at Nominal Cost

By E. W. Davidson

HOW TO GET the most out of a factory's men and machines is often a problem not only of men and machines, but also of light. Experience has proved that good light—and by "good light" is meant the kind that would be called good by a lighting engineer—can raise production in any industry more than enough to pay the cost. Many industries have increased production from 10 to 30 per cent at a cost of from 1.9 to 5.5 per cent of the payroll.

When good light does that; when it also cuts down costly accidents; when it reduces spoilage, and when it makes men better satisfied with their surroundings and happier on the job, then production managers begin to cast an eye and a thought occasionally on the familiar electric light bulb, so often merely screwed in and forgotten.

Only 10 per cent of American plants today are properly lighted and only about 40 per cent have made any radical changes in their lighting systems during the last seven years, though illumination has been as thoroughly revolutionized during those seven years as aviation.

Herbert Hoover told a body of engineers at Syracuse, N. Y., this spring, that this country's industries are from 30 to 40 per cent below par in production, and from causes other than unemployment. Failure of management to enable the individual to attain maximum production was one of the causes he assigned. He declared also that times of depression are the times in which to discard antiquated methods and machines and adopt new and efficient ones so that each man may produce to a maximum.

The methods of getting that maximum may vary. Wise use of light is one. Consider the effect it had on a number of metal working shops. The average light intensity these shops had been getting was 4.6 foot candles, whereas daylight gives from 25 foot candles upward. The shop illumination was raised to an average of 13.9 foot candles, after which production was checked up with these results:



Daylight? No, artificial light, but where are the lamps?

Operation	Production increase, per cent
Flanging	20
Hueing	24
Rolling	9
Setting	8
Bundling	27
Second Bore	13
Punching	10
Perforation and Blank	12
Average	15

In a heavy machine shop production was increased an average of 10 per cent at a cost of 1.2 per cent of the payroll. In a machine shop for finishing iron pulleys the consumption of electrical current was increased seven times and the average illumination twenty-five times with the result that production went up 35 per cent at a cost of 5.5 per cent of the payroll.

These figures are based on careful studies under incandescent lamps. Mercury arc lamps are also used for many manufacturing operations with equally successful results. Their peculiar color renders detail strikingly clear and removes much shadow and eye strain. A silk mill that installed mercury lamps found its production so much greater at the beginning and the end of each day that it started a night shift. Less silk was spoiled and less time was lost during the night shift than during the hours of daylight.

So much for results.

Production increases under proper light for several reasons, chief of which is the absence of eye strain. Light is intangible. Its effects may not be determined by ordinary methods. It does, however, create a physical and psychological impression on us all.

Everybody knows that daylight is a good thing for almost every occupation. Where is there a factory executive who wouldn't lift off the roof of the plant, and leave it off, were that feasible? The roofless factory would be the lightest.

Yet, strangely enough, few factory executives try very hard to find and use artifical illumination that approximates daylight. Though daylight provides a light density anywhere from 25 to 300 foot candles, the majority of factories employ around 3 or 4 foot candles in their artificial light.

Man's eyes are adjusted by nature to daylight. When he works for hours at a stretch under such a poor substitute for daylight, his eyes inevitably must suffer.

But eye strain isn't the only enemy of production. Shadows and light variations, or "spottiness," must be considered. With a deep shadow under a machine or beside it, a man reaching for tools or material cannot work with accuracy and maximum speed. Neither, in such light, can he easily detect flaws. The spoilage in American factories, for which bad light is partly responsible, was estimated in the last United States census at $28,000,000 a year.

If every factory in the United States employed a light density of 21 foot candles, illumination experts say,

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production would be materially stimulated. If the light is to come from incandescents, one 100-watt lamp per operator per 100 square feet would suffice, and the estimated cost of that light for that ten-feet-square space for one year, as compared with the cost of the labor of the man working in it, would be this:

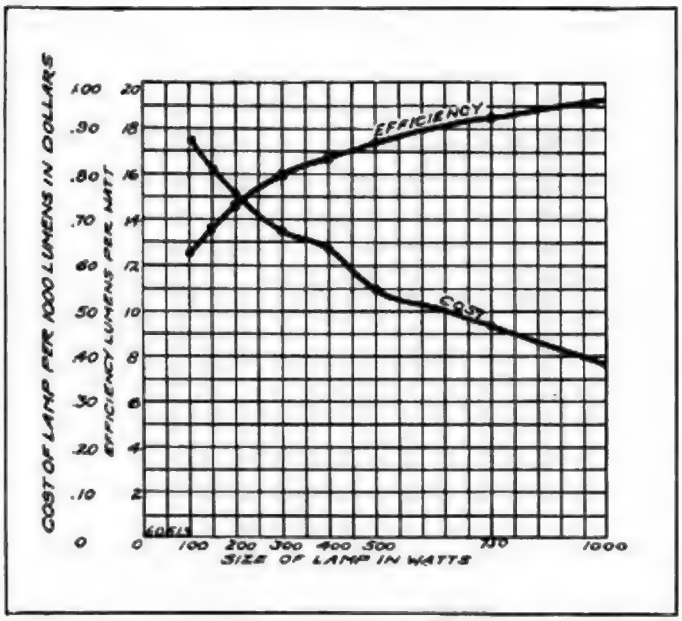
Cost of lamp	$1.10
Enameled steel reflector	2.50
Cost of wiring	6.00
Total first cost	$9.60
Interest on investment at 6%	.58
Depreciation on wiring and reflector at 12½%	1.06
Power at 5 cents per kilowatt hour	3.00
Cleaning twice a month	.72
Renewal of lamp (every 1,000 hours)	.66
Total	$6.02
Wages, 8 hours a day, 300 days a year at 70 cents an hour	$1680.00

$$\text{Ratio } \frac{6.02}{1680.00} = .358\%$$

If correct lighting enables this workman to save three minutes a day, the saving on the payroll pays for the operating cost of all the light he uses. The average employee, however, loses much more than three minutes a day because of bad light. So light more than pays for itself.

The art of providing light enough to make vision easy on every part of a working plane, as well as on floors and in corners, has been so nearly perfected that one scarcely can imagine a nook or cranny under any roof but can be properly lighted by a well-designed layout. A skilled engineer, juggling the three elements of a lighting job—height and spacing of lamps, their size, and their reflectors—could adequately light up the Catacombs. No Chinese puzzle of a structure is too difficult for him.

Lighting a room is no longer a matter of stringing up a few lamps—or even a mass of them. Lamps must be high enough in a factory not to shine in anybody's eyes, yet they must not be so high that the flux grows weak before it reaches the working planes. They must be so far apart that every lamp has a full chance to cover its own field, yet not so far as to permit shadows between.



Cost and efficiency curves of Mazda-C lamps. The chart indicates that, so far as investigation has revealed, the larger the lamp the more the user gets out of it for each unit of current consumed

They must be of a power commensurate with the distance from one another and from the floor, and their reflectors must be so shaped as to deliver their full light where it is wanted without waste, yet without darkening ceilings, walls and corners.

A lamp improperly reflectored wastes up to 40 per cent of its light. That is why unreflectored lamps never are used in good illumination layouts, and that, too, is why the flat tin shade has been consigned to the scrap heap.

A machine shop in which exhaustive tests were conducted was lighted originally in "the good old way" by stringing clear glass drop lights down from the ceiling over each machine at about the height of the operators' eyes. Each had its flat tin shade. Eye strain was hampering production.

A lighting engineer pointed out that the system was a failure because it violated one of the fundamental principles of lighting: Light should always be reflected on the surface of the work instead of directly in the workers' eyes.

The lamps produced a glare in their immediate localities, leaving deep shadows between. Men passing from one glare to another continually had to adjust their vision to the light intensity, which heightened the strain. Many accidents occurred, for every operation required men to reach into the gloom as well as into the glare. Frequently they tripped over unseen obstacles.

Unwilling to invest in a new set of fixtures, the shop owner adopted the expedient of installing a lot of bowl reflectors. These relieved the operators' eyes of glare and put a good deal of light where it was required, but shadows were made denser, accidents increased and production stayed right where it was. Furthermore, the loss through breakage of lamps remained high, for every lamp hung low.

Finally the shop adopted what is known as a general system of illumination, which flooded the entire room from ceiling to floor, with the greatest intensity on the working plane. This was accomplished with 100- and 150-watt Mazda-C lamps in deep-bowl, porcelain-enameled steel reflectors spaced on ten-foot centers and mounted nine feet above the floor. The result satisfied workers and owner alike, though the layout was handicapped by low ceilings.

The illumination in that shop today is fairly uniform with an intensity of 7.81 foot candles—about five times as much light as before—provided by 1.1 watts of lamp power for every square foot of floor. This is a good example of what can be done with an old-fashioned machine room designed with no provision for light.

In another shop, one that produces glass articles, the original illumination produced too much glare and every object in the place cast a dense shadow. The lamps had been hung on twenty-foot centers, mounted eleven feet above the floor and giving a light ranging in intensity from 2 to 4 foot candles.

This installation was replaced by a combination of 100- and 150-watt



Shadowless fixtures provide strong light without glare, a necessary working condition in such a place as a drafting room

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Mazda-C lamps on ten-foot centers mounted nine feet above the floor, 200-watt Mazda-C-2 "daylight" lamps spaced on eight-foot centers nine feet above the floor and 300-watt Mazda-C lamps twenty feet apart and thirteen feet up. These lamps were equipped with deep-bowl, porcelain-enameled steel reflectors. Each type of lamp was hung over the section that needed its peculiar illumination. The intensity in that room now varies from 6 foot candles for ordinary work to 15 foot candles for fine operations, and the production of the whole department has been considerably increased.

This year a factory that always has strived for high-grade illumination studied anew the lighting in a department making a great quantity of small articles. In the department were some light punch presses, screw machines and automatic machines for stamping out thin metal parts. Acuity of vision is a big factor in production, and although operators did not complain of being unable to see, still the shop owners decided to experiment with more light.

The room is divided into bays each sixteen feet square. Each bay was lighted by a single Mazda, clear-glass 200-watt lamp with an enameled steel reflector. Each lamp was replaced by one of 500 watts capacity and made "bowl enameled," or with the end of the bulb frosted and glazed by a patented process used today by several lamp makers. The bowl reflector was replaced by what is known as an R. L. M. or "reflector and lamp manufacturers'" standard reflector. This is of enameled steel, but it is broader and flatter than the bowl type and has a deep flange projecting downward at the rim.

The higher power bowl-enameled lamp and the new reflector provided about six times as much light with better diffusion and more perfect uniformity over the whole bay, and did it with only about two and one-half times the current consumption of the old lamps.

Installations like these are proving, the country over, the value of good light, expertly planned. They are also proving that, as a general rule, the larger the lamp the more the user gets out of it for each unit of current consumed.

But while it is true that the fewer the lamps the less the cost of wiring, fixtures and maintenance, the thing, of course, can be overdone. In designing an installation, a man who considered only the feature of big lamps would be likely to install something nearly worthless. For example, an area of 4,000 square feet is to be lighted. If only one-quarter of a watt per square foot is to be provided—a small amount—the installation will require 1,000 watts. But for ordinary ceiling heights a single 1,000-watt lamp most emphatically is not the right type to employ. The light it casts over the whole area will be too strong under the lamp and too weak around the edges of the field.

The size of a lamp is governed primarily by the height of the ceiling. In other words, big lamps hung twenty feet above the floor on twenty-foot centers give the same results as proportionately smaller lamps hung ten feet high and ten feet apart. All other factors being equal, a 400-watt lamp, twenty feet high would be as effective as four 100-watt lamps ten feet high. But the shape of the ceiling, obstructions, and the size of bays to be lighted, all interfere with this simple general rule.

Over machine work lamps ordinarily are hung from seven to twelve feet up. They are spaced and reflectored to throw their light uniformly upon the working plane while "overflowing" under machines, around pillars and down aisles. But there can be no fixed rule for all shops. If walls and ceilings are white, and if the products or the machines themselves are so shaped and colored as to reflect a good deal of the flux, the spacings, heights and powers of the lamps can be varied.

The reflector is almost as important as the lamp. It is the reflector that puts light where it will do the most good. It is the reflector that does most toward eliminating waste of current. Usually the reflector is of glass or steel. Most industrial installations are best served by enameled steel, for it is tough enough to stand the racket and the enameled surface is almost perfect for reflection. Varying shapes of reflectors are highly important in delivering light at the right places.

A machine shop of one long bay with an extremely high ceiling found it impossible to light the floor adequately even with high power ceiling lamps, and it could not hang the lamps lower because of interference with traveling cranes. So it fixed upon the plan of fastening 200-watt lamps twenty feet from the floor on each pilaster along the side of the room. These lamps were backed by steel bowl reflectors shaped somewhat like those used in show windows; the reflectors flattened down the light over the top, so that little of it spread beyond the center of the room, and permitted it to flood the floor directly beneath the lamps.

With a row of these lamps down each side of the room, a well-diffused yet penetrating layer of light was laid over the whole working space in that shop, supplementing the ceiling lamps; yet, thanks to the reflectors, the low light did not blind the cranemen.

Since reflectors enable a man to light his factory with 25 or 30 per cent fewer lamps, it will be an exceptional installation indeed that will be put in hereafter with bare lamps.

But effective as these and other new lighting installations are in boosting production and cutting down accidents—for statistics show that during 1919 no fewer than 125,000 American industrial accidents, or 415 a day, resulted from poor light—no lighting system can do anywhere near its best without the aid of dust cloths, soap and water and a little elbow grease at regular intervals. Dust and stain on lamps and reflectors play havoc with the light-producing ability of a unit.

In a grinding room where air was moist and laden with steel dust, half the lamps were removed at the end of a week without cleaning. The others stayed three weeks. Dirt on the one-week lamps was found to be absorbing 16 per cent of the light. On the three-week lamps the deposits absorbed 23 per cent. If those lamps had been permanently neglected the system would give 16 per cent less light at the end of a week than it was designed to give—and probably less than the workmen needed. After three weeks the

(Continued on page 50)

How Much Light Do You Need?

THE following table of averages worked out by illuminating engineers shows how much light is needed under the most common working conditions:

Operation or location		Intensity (foot candles)
Assembling	Rough	2 to 6
	Fine	4 to 12
Boiler Rooms		1 to 3
Construction	Outdoor	½ to 2
	Indoor	1 to 3
Drafting		8 to 20
Elevators		1 to 3
Forge Shops		3 to 9
Halls		½ to 2
Inspecting	Rough	2 to 6
	Fine	4 to 12
Machine Shops	Rough Work	2 to 6
	Fine Work	4 to 12
Offices		4 to 12
Receiving and Shipping		2 to 6
Shafting and Pulley Work		1 to 3
Shoe Manufacturing	Lasting and Welting	4 to 12
	Machine Stitching	8 to 20
Stairways		½ to 2
Textile Mills	Silk	3 to 9
	Woolen	4 to 12
	Cotton	3 to 9
Toilet and Wash Rooms		1 to 3

A Hoyle of Office Practice

Whose Duty to Perform This Task? How Shall It be Done, and When? If the Question Involves Routine Work, the Manual Tells the Answer

By James McDonald

A YEAR was ending. The financial statement, that temperature chart of the health of a business enterprise, was being made up. At the meeting of "the board" in the first week in January the general manager would arise, solemnly, and read that solemn document to the solemn directors. For the office force it was a hectic time, the time just preceding New Year's.

Now a financial statement really is an oddity. Reduced to a dozen lines of typewritten statistics on a single sheet of paper, it looks to be an absurdly simple thing. But behind that absurd simplicity is a far-reaching complexity. Those dozen lines of statistics may come from a dozen different sources, and each one of the lines may be the summary of a whole year's work of some individual, some division, some department.

Well, one of those lines, one of those summaries, was missing. The missing thing, however, was no mere insignificant detail. It was, in fact, the total of shipments for the year. It was the figure that represented what amount of its product the enterprise had delivered to its customers during the year. From it would be figured the gross income. From the gross income would be subtracted the costs. The result would be the net profit—the year's earnings. In that matter of earnings directors evince the most absorbing interest.

Where were those figures on shipments? Who was supposed to compile them? The trail led downward to the billing department, and then to a specific individual in that department, to a mystified and greatly perturbed clerk.

Total of shipments for the board of directors? How should he know? Didn't he have enough to worry about without that? How did they get that way? Besides, nobody had ever told *him* to keep a running record. And so, indeed, it turned out.

Nobody, it developed, had told that clerk that one of his duties was to keep that record. Early in the year he had been "broken in" on his job. His associates in the billing department who did the "breaking in" had told him all about his work. They had coached him in everything that he was to do. They had told him about every detail and had shown him the manipulation of his every duty—but one. One they had forgotten. It was the detail of the running record of shipments, the record from which would be figured the year's earnings for the edification of the board of directors.

It took three or four weeks of work and the rummaging through many files of invoices to compile that record of shipments; and the directors' meeting had to be postponed.

This thing, or some variant of it, has happened and is happening in virtually every enterprise engaged in business. Specifically, this particular episode of the forgotten record of shipments happened three or four years ago in the office of the Morgan Sash and Door Company, of Chicago. Episodes like it constituted one of the reasons that prompted F. E. Watson, office manager of the company, to set about eliminating the conditions that made such things possible. There was another reason, more or less foreign to the immediate affairs of the enterprise.

"I had spent eight years in the civil service of the federal government," Mr. Watson explained. "I had learned how a business enterprise ought to function; but I had learned my lesson, not from precept and example, but from contrast. The methods of the government, or some of the methods at least, made me think of the methods that I would like to apply to business—they were so different.

"Take federal reports, for instance, the sort of reports that are issued by the various bureaus of the government for the guidance of business men. Almost any one of those reports is a beautifully accurate and comprehensive thing. It's absolutely unbiased and painstakingly thorough. But it ignores, almost entirely, the factor of timeliness. By the time the report comes out the conditions that it describes probably have ceased to exist. As a guide to business men, consequently, it's often next to useless.

"The government, speaking generally, functions toward some tangible, predetermined result. But it doesn't care a hang when that result is accomplished.

"Federal functions, the functions of departments and individuals within those departments, have been closely defined. Everybody knows just what his job is, for he works from specifications. But nobody bothers him much about when those specifications are to be fulfilled."

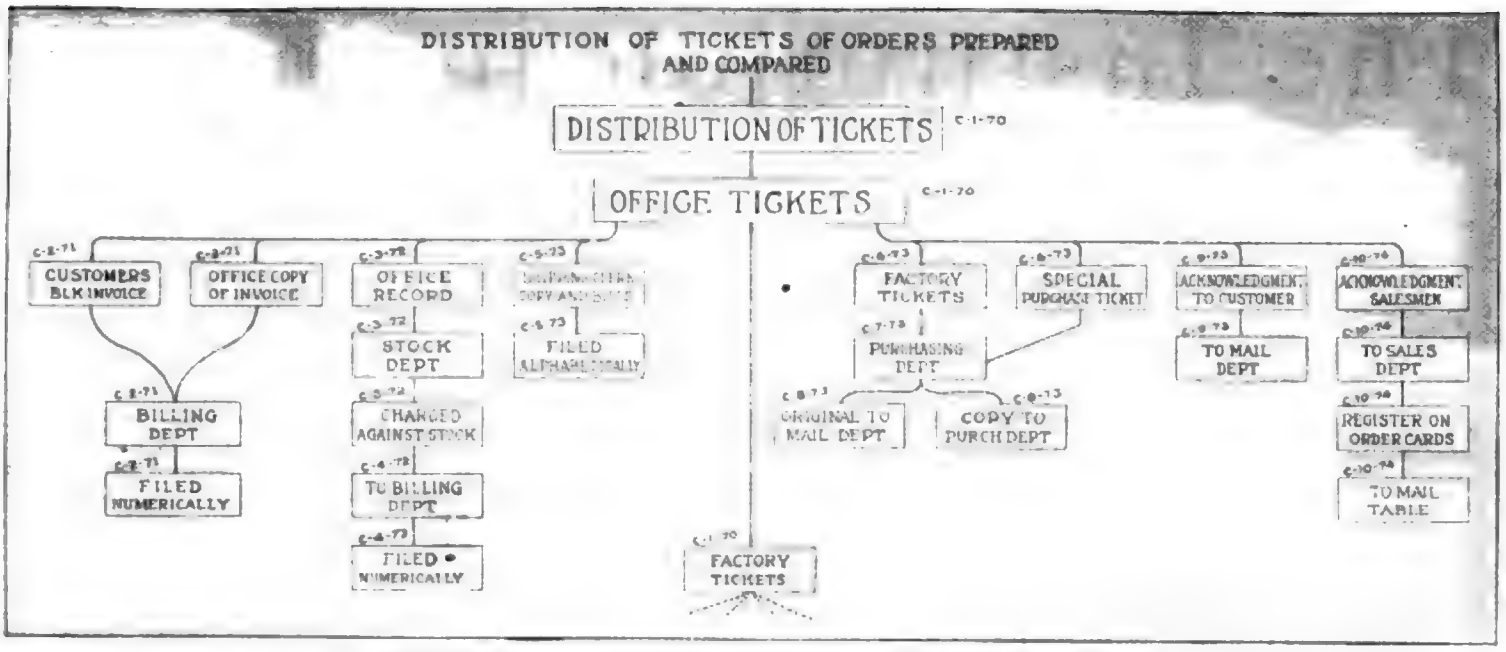
Business, too, functions toward some tangible, predetermined result. But business is obliged to consider the matter of time. Business operates by the clock and by the calendar. Thus it was that when Mr. Watson, late of the federal service and with his lesson of contrast fresh in his mind, set about the application of different methods to his work as office manager of the Morgan Sash and Door Company, he thought in terms of jobs and duties and requirements; but he thought, too, in terms of years and months and days and hours.

What was the thing to be accomplished? Who was to do it? And how? And when? Those were the questions that Mr. Watson applied to the business of his company and set out to



This chart illustrates the progress of an order through the estimating department and back to the order department. The letters and figures designate section, page and paragraph of the manual containing specific instructions on procedure

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This chart illustrates the distribution of tickets of orders prepared and compared

answer. He purposed to answer them for himself, set the answers down on paper, and then set them up for the guidance of everybody in the concern.

What was the purpose of the business as a whole? To make doors and sashes and all the other things that are called "millwork," and to sell those things to its customers at a profit. Reduced to a single case, then, the tangible, predetermined result was a sale. The company's immediate point of contact with a specific sale was in a piece of paper called an order. Orders were handled by the order department. Very well, then, said Mr. Watson, the order department is the heart of this business, and we'll start with that.

He picked out an order and he traced it as it came in through the front door, passed through the offices and the factory and emerged in the form of a shipment of millwork in a box car. He tracked that order first through its period of quarantine. This preliminary stage is what the Morgan nomenclature calls the "censorship," the stage wherein the sales department looks upon the order with searching, sophisticated eyes and decides whether it is a good little order to be allowed to come in unfilled and go out filled—good for the concern and good for the customer.

The office manager tracked that order from the censorship to the desk of the credit manager, who scanned it and scrutinized it and looked into a big red book and passed the order on. The trail led to the pricing stage, wherein the order's specifications were transmuted into dollars and cents and the dollars and cents were checked and verified; but still the office manager followed.

And then, right there, just beyond the approval of the credit man and the pricing stage, complications developed. The trail divided. This was the threshold of the service department, wherein the order would be filled and shipped. The order itself changed its identity and multiplied its transformed personality. It transformed itself into a whole covey of other little identities called tickets. And each little ticket went scurrying off through the intricacies of the service department on a little trail all its own.

But the office manager was not to be thwarted. Patiently he picked up each tangled trail of each little ticket and followed it through to the end. He followed, whether the trail wound its way through the purchasing department for an order for which something had to be bought, whether it developed irregularities concerning which letters and telegrams had to be exchanged with the customer, or whether it streaked straight to the saws and the planers in the mill. Patiently he watched the trails unite to go through the stages of billing and posting to stock ledgers and accounts receivable and to end at last in the columns of a statistical record.

THEN, with his notes before him, the office manager sat down and drew a picture of that winding, dividing, retrograding, reuniting trail of an order, from the beginning to the end. He pictured every step, every phase, every detailed operation in that order's progress through the plant. And the picture, when he had finished it in all its infinite detail, he called a chart.

It is a formidable thing, that chart. It is drawn on a tiny scale, and yet the whole of it covers, I should say, eight square feet of paper. And it's as full of little squares and rectangles and diagonal connecting lines as a cyclorama of the Battle of Bull Run, done in mosaic.

That chart is just one of many. For when he had finished with the order department Mr. Watson looked into the workings of other departments and operations, and he charted them. He charted the administrative functions, from the president down. He charted the financial department, from the treasurer to the timekeeper. He charted—yes, he even charted the advertising department, creative intellects and all.

For each department and each activity he made a separate chart. Then he made more charts. There were certain interlocking and interacting and retroacting functions and activities among the departments; for each of these he made a separate chart which he appended to the departmental chart as a supplement; and the details of those interdepartmental activities he pictured in appendices to the supplements.

Then he laid all the charts out before him and wrote a book about them. He called the book The Manual. It's a sizable book, is that manual—two hundred and sixteen pages of closely typewritten matter. It tells how the business works. It tells of trails and of functions and of duties; and it deals with the matter of time. It tells every executive, every department and division head and every subordinate, from the president down, just what he is to do and how he is to do it; and when. No member of the organization, with his departmental section of the charts and his section of the manual in front of him, could forget, for instance, to instruct that billing department clerk to keep a running record of shipments. That running record is listed, among other duties, in a section that defines that clerk's job. There are other sections, just as definite, to define all the other jobs. It's all in the book. And the book is indexed for easy reference.

When I talked with Mr. Watson he had just finished making the charts and

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The Institution in the Ad

Price List Copy; Descriptive Copy; Institutional Copy; Mass Display And Scattered Units—Each Has a Technique and a Purpose of Its Own

By Leroy Fairman

BEFORE ATTEMPTING an analysis and discussion of the various types of department store advertising, it seems worth while to devote a few paragraphs to an examination into its history and development. It will also be interesting to determine whether it has shown any vital improvement in the last twenty-five or thirty years—and to decide that question with fairness and accuracy suppose we put it on the witness stand and ask it a few pertinent questions.

Q. Do you claim to have made any essential improvement since 1895?

A. Oh, yes, of course I have improved. Everybody knows that.

Q. In what way?

A. Well, in display.

Q. But all advertising has improved tremendously in this respect. Do you claim that you have made a greater improvement in display than have other forms of advertising, or that you have been a leader in that direction?

A. No.

Q. Then it is true, isn't it, that you have simply shared in the progress of advertising as a whole; that you are not entitled to any special credit for better methods of display?

A. Yes, I suppose so.

Q. Well, then, in what other respects have you improved?

A. In illustration.

Q. Anything else?

A. Yes, in copy.

Q. Now isn't it true that as to illustration and copy you have simply shared in the general improvement that has taken place in all kinds of advertising; and isn't it true that in quality of copy you have not improved since that ancient period when John E. Powers and his successor, Manly M. Gillam, wrote the advertising for the John Wanamaker Philadelphia store?

A. Yes, I think you are right.

This, as I see it, is about all that department store advertising can say for itself on the question of improvement. True, department stores in every considerable town in the country are using excellent advertising, whereas twenty-five years ago there were very few; but that is due to dissemination of better methods and is not, strictly speaking, an improvement.



The institutional idea carried almost to an extreme

It is natural to accord a position of supremacy to the Wanamaker advertising of thirty years ago for the reason that during the last decade of the twentieth century it stood out as would a mountain peak on a prairie. But this undisputed supremacy it did not long enjoy. The Wanamaker style spread over the country with surprising rapidity and, for that and other reasons, good department store advertising became quite common during the early years of the present century.

Chief among the agencies responsible for the rapid spread of the Wanamaker style was a journal bearing the modest title of *Brains*—a journal for retailers. Its purpose was to show its subscribers, by object lessons, how to advertise their stores and how to dress their windows. Among its outstanding features was the reproduction by photo-engraving of a large number of commendable retail advertisements, and every week a full page or more was devoted to reproductions of the Wanamaker Philadelphia advertising.

Mr. Powers and Mr. Gillam were advertising men of great ability, and wrote copy of unusual vigor and striking individuality. Mr. Powers died a year or two ago; Mr. Gillam is still very much alive and active and vigorous in mind and body. Before writing this article I had a talk with him relative to the early history of department store advertising, and he assured me that it was not true, as so often has been asserted, that the Wanamaker store originated the conversational, intimately descriptive style of department store copy. He says that at one time he tried to establish its origin by searching the files of old newspapers. He found that examples of that type of copy were far from uncommon many years ago, and concluded that the style is as old as advertising itself. Wanamaker merely made it conspicuous by doing it so well and doing so much of it.

In display and illustration, as well as in copy, the Wanamaker advertisements were excellent. The pictures were small, but faithfully represented the goods advertised.

In those days Philadelphia and Chicago easily led the rest of the country in attractive and appropriate advertising display. New York trailed far behind, and the papers in other cities paid little attention to display other than a futile attempt to make every item stand out more boldly than any of its neighbors.

An examination of the newspapers of the large cities throughout the country shows that today department store advertising, to a considerable extent, has been standardized. If you were to cover up the name of the store and the date line of the newspaper, it would be hard to tell, in most instances, whose store was advertised by a typical piece

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of department store copy, or what part of the country it came from.

There are, broadly speaking, only two types of department store advertising. One of these is the profusely descriptive, conversational style, and the other is the price list style. Some cities run largely to one kind and some to the other, and in every large city some merchants use one style and some the other.

In industrial cities the price list style is naturally most popular because price is an extremely important factor in family economics, and the briefest description of the goods suffices to sell them if the price is tempting. In the large cities, comprising all elements of population, the store that appeals to the working classes logically uses the price list style, and the store that caters to the well-to-do class uses the elaborately descriptive style and pays special attention to artistic illustration and display. The barest facts concerning a piece of dress goods—plus a tempting price—are sufficient to sell Mrs. Donahue, who lives down behind the gas works, but the lady of wealth and leisure must be charmed into the buying mood by a pastoral sketch of the sheep that furnished the wool, or an alluring portrayal of a woman of fashion, authentically arrayed in the latest modes in apparel, millinery, coiffure, avoirdupois and dog.

Pittsburgh, because it is an industrial city, uses the price list style extensively. Pittsburgh runs largely to dollar sales and 50-cent sales. A recent full-page advertisement of Kaufmann & Baer Company contains nearly two columns of 50-cent items. In the same issue of the same paper the Lewin-Neiman Company lists a large number of dollar items and Frank & Seder have nearly a half page of dollar items. Boggs & Buhl, the McCreery store, the Rosenbaum Company and Horne's use the descriptive style freely and handle it well.
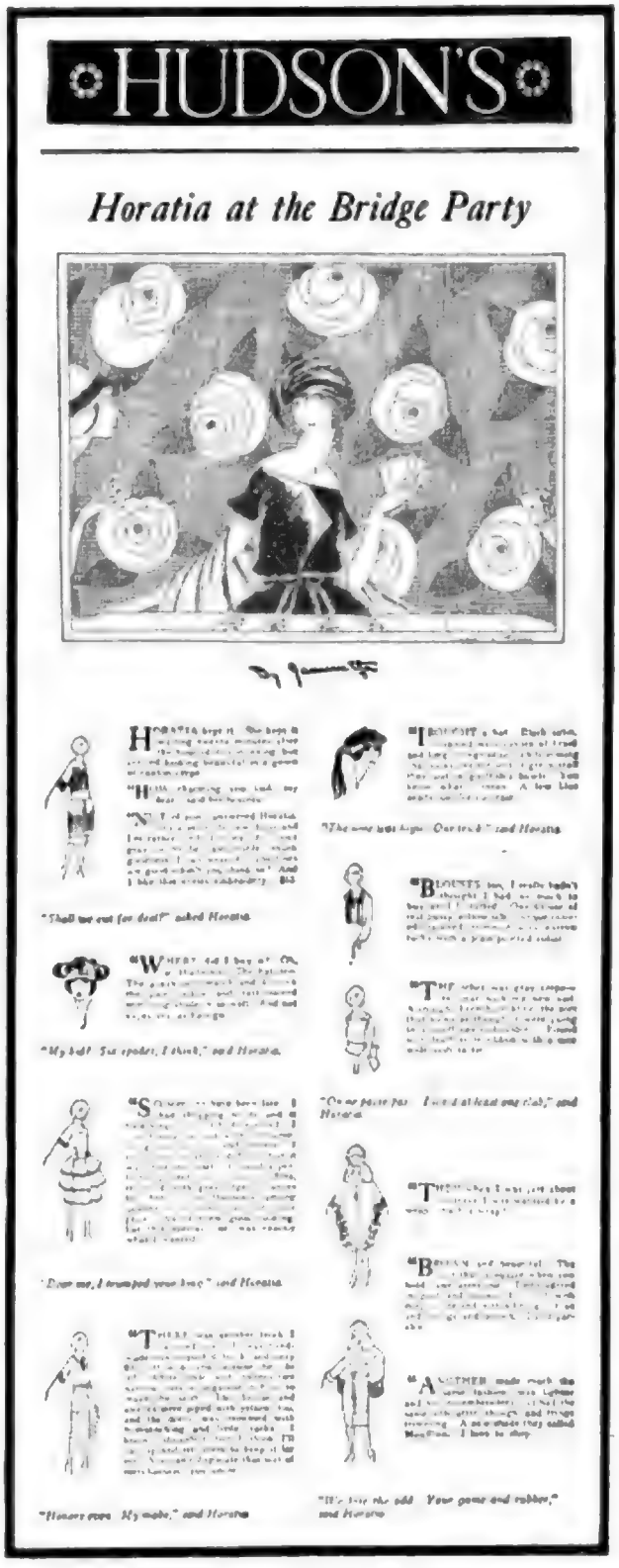
The department stores in such cities as Detroit, Cleveland and Rochester use a large amount of description in their copy. William Taylor, Son & Company of Cleveland use full pages and double pages with a large amount of well-written and well-displayed descriptive matter. Sibley, Lindsay & Curr Company, of Rochester, are heavy users of space devoted to elaborate description. In New York City with its cosmopolitan population, representing every stratum and condition of society, both the descriptive and the price list styles are freely used.

For many years one of the most consistent users of the price list style was Hearn's. For as long as I can remember this store has used two, three or four columns daily, devoting practically the entire space to brief descriptions of a large number of items—and of course, the prices. Hearn's is a store of the class that caters to the people; it carries a wide variety of merchandise of all kinds, does a large business and prices its goods attractively. After following the price list style closely for all these years, this store has lately used a considerable amount of descriptive advertising. In one newspaper, which I have on my desk, a large advertisement of Hearn's appears beside a similar advertisement of Stern Brothers, and if the names were hidden it would be hard, indeed, to tell which was which. Altered industrial conditions and perhaps a store policy that provides a less limited class appeal doubtless are the causes of this change in Hearn's advertising.

Each merchant must decide for himself whether he should use the descriptive style of advertising or the price list style. In most cases the best policy will prove to be a judicious mixture of the two. In the smaller cities, analysis will generally show that the patrons of a store are composed of both the class to which the strongest appeal is the comprehensive and carefully prepared description of goods, and the class that requires only the barest facts and the prices. Also that in the case of some goods a line or two of description is sufficient, while others, to be properly presented, require considerable descriptive matter. It is obvious that a coal hod or a frying pan may be sufficiently described in a half dozen words; also that luxuries, new or unusual merchandise, and goods whose desirability depends upon style, require extended description.

Any merchant, except in a very large city, in my opinion, will make a mistake if he adheres closely to either style of advertising, or if he mixes the two indiscriminately. Items demanding extended description obviously should be placed by themselves and properly displayed; modern department store advertising, with its various subdivisions and boxes, each forming a small advertisement in itself, affords many examples of the proper methods of segregation and display. All the papers in the big cities contain plenty of examples of advertising so handled, and these may profitably be studied by the merchants in small towns and cities.

The descriptive form of department store advertising has a number of interesting variants that are difficult to classify, but generally are included under the term "institutional." Many stores devote, from time to time, or regularly, a considerable portion of their space to exploiting the store as an institution, striving to create for it atmosphere and prestige that will bring people to its doors


HUDSON'S

Horatia at the Bridge Party

Original copy and attractive display

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as a matter of course and habit, regardless of the special inducements offered day to day.

A familiar feature of the Wanamaker advertising is a short editorial, signed by John Wanamaker and devoted to some timely topic of general or special interest, or to some moral or philosophical preachment. These, as a rule, are tied up to the store, its service or its policy, but generally in an indirect way.

That it is good business to devote a certain amount of space to institutional advertising there can be little doubt. It serves to give the store individuality, to explain the principles underlying its management, and to create the impression that its interest in the community and in its patrons extends beyond the mere selling of merchandise and making a profit.

One firm, J. L. Brandeis & Sons, of Omaha, regularly runs in the centre of its advertisements a box containing a dissertation having nothing whatever to do with the Brandeis store or any feature of its business. The idea behind this particular example of institutional advertising is to put something into the advertising that will be so interesting, so well written and so inspirational that it will be remembered, quoted, copied and talked about.

Very few advertisers regularly use space for institutional advertising that is not in some way tied up to the business. Many stores, however, from time to time, generally on the anniversary of some notable historical event, run a carefully prepared commemorative advertisement that has nothing to do with the store or its goods.

Just how much prestige and good will are created and how much trade is attracted by institutional advertising of an extraneous nature is problematical, and depends altogether upon the skill with which it is done, and the class of people appealed to by the store that uses it. It is a difficult matter to handle. Thinking people are not likely to believe that a store is so altruistic as to devote expensive advertising space to the intellectual or moral uplift of the community without hoping to reap some material benefit.

Nevertheless, it would be bad taste to try to create a demand for dress goods or shoes by a commemorative editorial article on Lincoln's Birthday. A method at once safe and business-like seems to be to tie up the store to the discussions of current events and other subjects of ordinary importance, but to leave the business element entirely out of matter relating to the lives of great men, certain historic events and subjects invested with sacred associations.



Sacrificing the prestige of a big ad for the unity and attractiveness of a small one. One of five Lord & Taylor ads that appeared in the same newspaper on the same day

In my opinion the retailer in the small city who desires to use institutional advertising might far better devote space to interesting comment upon local conditions and occurrences than to attempt any editorializing, sermonizing or moralizing on subjects that have a wider significance. His feet will be more firmly on the ground, and his audience will be far more likely to respond favorably.

AS a rule the advertising of department stores, general stores and specialty shops in small towns lack individuality; the opportunity to emphasize the personality behind the store is neglected. The right kind of institutional advertising enables the merchant to make the most of that opportunity.

When a merchant, in an over-the-counter conversation with a customer, expresses his opinion on a subject of local interest, it is taken simply as the opinion of one man and not given special weight, but when he puts that expression into his advertisements it is an altogether different matter. He has placed his store, his business interests, on record. He has put his beliefs and his judgments in type, thereby investing them with the special interest, weight and authority that attaches to all printed announcements. Comments upon municipal problems and local events are sure to be read and talked about; the merchant will hear from them continually, and people will come to his store to express their approval—or point out his mistake. Politics, religion, or other matters of a highly controversial nature should be avoided, but there is no harm in "starting an argument" on some subject upon which differences of opinion are of no vital importance.

About the only development in recent department store advertising that can be called new is due to the attempt of the department stores in some cities to counteract the exclusiveness of the appeal of the small specialty shop.

A department store, as everybody knows, is a collection of small stores grouped under one roof and conducted under one management. In its desire to impress this fact upon the public and create the impression that each department stands, in all respects, on a basis of equality with the specialty shop, many department stores have begun to split their advertising up into small parts and run these parts on different pages in the newspapers. It is not unusual to find in New York papers half a dozen different advertisements of the same store scattered here and there through the paper. These small advertisements not only assist in creating the impression that the departments so advertised are in fact specialty shops, but also afford the opportunity for strong typographical effects and more attractive layouts than are possible in the usual style of department store advertising.

Opinions differ as to whether this plan is profitable. It is true that these separate advertisements catch the eye and concentrate the attention of the reader upon one article, one department or some special offer covering only one class of goods. It is equally true that mass display creates the impression of institutional magnitude and that the store that breaks up its advertisement into small parts sacrifices the benefits of this impression.

The advertiser must decide, then, what is to be his purpose. If he wants to throw a halo of romance about his store, to build up prestige and create the impression of magnitude, let him stick to the typographical unity embodied in mass display. If he wants to focus attention upon departments and specific articles, he may be able to

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Down Comes The Overhead

By Richard Boeckel

THE COST of doing business—of getting its products to consumers when, where and in the quantities they want them—is the overhead of the American industrial machine. Economists tell us that only fifty cents of the average dollar spent represents the intrinsic worth of the goods bought. The remainder goes to defray the expense of doing business. It is readily apparent, therefore, that cuts in the price of goods at the factory door will not result in proportionate cuts in retail prices until overhead is reduced.

Consider the position of the retailer. During the war, when prices rose and his income and his profits increased, his cost of business increased in proportion. Assume that a retailer's inventories were small and that he was able to take advantage almost immediately of the forced reductions in wholesale prices.

What happened? If he attempted to reduce retail prices in proportion, his volume of business may have remained the same, but his income was reduced. And when he came to balance his accounts he found that he had made no profits, because his cost of doing business remained at the war level.

If he pursued the other course, reducing prices only slightly in an effort to maintain sufficient income to cover his inflated selling costs plus a reduced profit, his public waited for still lower prices and did not buy.

Every distributer of goods, wares or merchandise faced the same problem in a more or less serious degree. The answer, in general terms, was easy: Reduce the cost of doing business. But how?

How? That is the question that the United States Chamber of Commerce has addressed to its membership through its newly established Department of Domestic Distribution. How?

"With the pressure from the public for lower prices and with the widespread reduction that has resulted, the merchant, to make a living profit must also reduce his expense of doing business.

"We are anxious to know what you are doing to reduce your cost so that we may be able as quickly as possible to give you the actual methods and facts which others have found beneficial."

Inclosed with the foregoing letter was a questionaire for specifying items in which reductions were being effected. The Department of Domestic Distribution has received 1,652 responses.



The Spirit of 1921

Taken as a whole, they give a fairly accurate picture of what is being done over the nation to cut the cost of doing business.

Naturally, there are wide differences of opinion as to which items of cost may best be cut. Reductions that might be absolutely essential in one type of business would be suicidal in another. "Personnel" and advertising seem to have been reduced most.

Business men generally have been reluctant to cut wages except as a last resort. The net average reduction in wages reported is 4.52 per cent. In most instances where wages have been cut the salaries of executive officers have also been cut. Savings amounting to 12.47 per cent have been effected by reducing working forces, and savings of 11.54 per cent through cuts in commissions and bonuses.

In spite of its logic, the following type of reply is in the minority:

"Our belief is that it is perfectly logical to reduce wages a little less than the dollar increases in purchasing power until a normal basis is reached."

A larger number are in this strain:

"We called our men together and laid our cards on the table. We had nothing to withhold. We told them that we could not continue to do business with the present wage scale unless they became more efficient. By increasing their efficiency they made it possible for us to reduce our prices."

The most general of all comment in the replies to the questionaire is that the shortage of work has brought about a marked improvement in the attitude of the workers toward their jobs and that a new spirit of co-operation is in evidence almost everywhere.

Marked savings have been effected by reducing advertising space—savings of 9.68 per cent—but there is no general agreement to the wisdom of this policy.

"We have reduced our appropriation for advertising space by 50 per cent," one retailer said, "but the writer is not sure it was a wise move."

Many men replied that they had not reduced their space. "It is our feeling that it is false economy to cut down advertising at a time when business needs a stimulant to keep it alive."

"When the other fellow quits I like to begin."

"Need it more now than we have for the past three or four years."

"Increased our advertising three hundred or four hundred per cent."

Even those who are splurging report, however, that they "are striving for greater effectiveness by more careful selection of items advertised, requiring more careful merchandising preparation." The majority seem to be buying their advertising as they are buying their goods—in short "takes" for a quick turnover. The institutional type of advertising in mediums of wide circulation is being greatly reduced. Advertisers are concentrating their fire to obtain specific and immediate results.

Thus, while other forms of advertising

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are being curtailed, the expense for circularizing shows a net average increase of 5.48 per cent. Circularizing seems to be regarded as a more compelling form than newspaper or billboard advertising.

One manufacturer reported that he had "endeavored to cut on commissions and agents by generous circularizing, thereby developing the direct mail business."

These replies are typical:

"We did not circularize before, but now * * *."

"Found circularizing to be the most effective means and have increased rather than decreased our appropriation for this work."

"Reduction by purchasing a duplicating machine, with which all our advertising is prepared."

"Making special efforts in direct advertising, by personal sales letters and enclosures."

"Concentrating more than ever on the customer by circular letter, house-to-house work and dealer demonstrations."

Replies from retailers covering the item of "service" indicate a general reluctance to reduce costs in this department. The savings in delivery averaged only about 1 per cent and in the cost of maintaining rest rooms only one-fourth of 1 per cent.

Those concerns that had reduced delivery costs told how they did it.

"Reduction by combining day and night delivery, so as to do most of delivery work before 10 a. m. to avoid congested traffic, thus reducing delays, accidents, etc."

"By loading trucks to full capacity and not sending them out except with full loads."

"Fifty per cent reduction by use of postal deliveries."

"Increasing list prices in delivered territory over non-delivery territory."

"We do not now urge this service, but rather adopt a neutral attitude," one writer explained. "Our sales people merely hand the package to the customer with the statement, 'Thank you.' They no longer say, 'Do you wish this delivered?' "

An eastern merchant said that it costs him 20 cents today to deliver a package "while before the war it cost 5½ cents each."

Most of those who had made no reductions gave their reasons.

"We believe service today more than ever before is going to be one of the strong factors in business reconstruction."

"Anxious to secure orders and these in our business result more directly from good service than from any other single factor."

"Consider service department adjunct to sales and are increasing it. Looking after our trucks to greater degree than ever before."

One retailer was emphatic: "I cannot see that our public is any less entitled to good service during a period of slack business than during a period of good business. As a matter of fact the present situation should afford right-thinking concerns an opportunity to re-establish the service that suffered so much through inefficiency and lack of interest of employees during the war."

Some savings have been effected, the questionaires showed, in the item of credits. Two methods have been popular—to reduce the volume of credit business and to shorten the carrying time of charge accounts. As in advertising and service, however, many business men believe that credits should be extended rather than restricted as a basis of doing business at this time.

"We are more lenient on credits based on moral standards rather than financial."

"More liberal on small credits and small accounts than ever, to increase sales and build up good will."

"Watching our collections carefully, but have put in no program of restricted credits. As a matter of fact, we have extended help to a good many of our customers who need it worse than we need the money."

On the other hand, there are those that have effected savings:

"We have within one year reduced our regular credit terms from net

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The Biggest Word in Selling

By S. Roland Hall

IF I WERE ASKED to utter the one word that would contain the most valuable advice on the subject of salesmanship that I could give, that one word would be "Demonstrate."

If all customers had quick and fertile imaginations, and if every salesman had at his tongue's end the most graphic picture-painting language, demonstration might not be so important; but in selling goods we must reckon with the fact that many people have little imagination and we must also take into account that few of us can convey, by mere words, to every person we are called to serve, a true picture of what is in our own minds.

Most people are quicker to understand by the eye than through the ear. When they only hear about things, they fail to see the image or grasp the idea as it exists in the mind of the speaker.

All of us have more or less natural curiosity about merchandise and about learning how things work. The street salesman understands this human tendency and utilizes it in holding his crowd.

James H. Collins, the well-known business writer, tells of two salesmen who went out to sell a new model of a small mechanical device. One began talking to merchants in this way: "If you have a few minutes to spare I would like to tell you something about the new model we are putting out." By the time he got this far, many of the merchants to whom he talked suddenly remembered that they had something else to attend to or interrupted him with the comment that they had all the stock they wanted in that line and couldn't possibly consider anything else just then.

The other salesman walked in quietly and with a mere word of greeting placed the new model in the prospect's hands, setting it in action as he did so. "This is our new model," he would say, after getting the prospect's attention fixed on the device. His plan enabled him to get attention immediately, and he had no difficulty in making satisfactory sales.

In selling goods we must always take into account that the prospective customer may not be eager to buy—that it may be difficult to gain or hold his attention. Demonstration not only serves the tremendously important purpose of fixing attention and stimulating interest in the product, but also enables the salesman to visualize the advantages of the commodity, which is sometimes no easy thing to do through mere words. "Show me," thinks the prospective customer, even if he does not always say it.

I was once in a store where a customer was looking for bed springs. I was glad to see the salesman get right on a mattress and jump up and down vigorously to show the power of the springs. It was almost startling, but his act produced a favorable reaction in the customer's mind that could not possibly have been produced by words alone.

"Yes, demonstration is fine," says someone, "if you are selling a machine, but suppose you are selling something that can't be demonstrated?"

There is a way to demonstrate

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almost everything. Even breaking a bit of thread, to show strength, is demonstration.

Holding up thin cloth to the light, to show how it lets air through and keeps the body cool in hot weather, is demonstration.

Cutting paper with scissors to show the keen edge is demonstration. So is bending the sole of a shoe to show flexibility.

Bringing the ends of a collar together; manipulating a cravat to show its appearance when tied; thrusting a hand into a stocking to show the design of the weave or the double strength of the heel—all this is demonstration.

Salesmen of a well-known brand of fountain pens have an impressive way of demonstrating the unfailing quality of the "spoon" feed by drawing long vertical lines for the customer's inspection. In this case, as is usual, oral explanation helps the demonstration, but the actual performance visualizes the selling point as mere words could never do.



Demonstrating a suction sweeper

Snapping tightly woven goods to show its strength is demonstration. Draping it over the figure to give the effect of the finished garment is demonstration.

Every one knows the value of the "living model" demonstration, where the customer can stand off and see the suit or coat on another person. Not every article of merchandise can be demonstrated quite so effectively, but there is always some little act or example that can be performed to illustrate a strong selling point of the goods.

You may be a fine talker. If so, thank God for the gift, but don't try, by talk, to make a small boy feel the joy of owning and riding a velocipede. Demonstrate! Put him on the thing and roll him around!

Demonstrating to Kill a Prejudice

By Walter A. O'Meara

WHEN folks begin to have queer ideas about your product, you have reason to worry. The notion may be no more than a mere fancy or a groundless prejudice, but if it hurts your business and if people begin to believe it generally, you will have to do something about it or shut up shop.

For some time the Edison Electric Appliance Company has been aware that many women still regard an electric flatiron as a thing of mystery, something "for to see and for to admire"—at a distance.

"There seems to be a natural feminine distrust of electricity and machinery," says L. M. Kean, Hotpoint sales representative in charge of Chicago territory. "As common as the electric iron has become, some women still imagine it to be a complicated affair of coils and thingamajigs to get out of order and upset the household program.

"Nothing, of course, could be farther from the truth. Experience has proved, however, that such a scepticism of things electrical actually exists and that it is hurting sales to an appreciable extent.

"Some manufacturers have overcome similar prejudices by advertising in the magazines. We believe we have solved our own little problem by letting people know how the iron is made; and we do that by building it right before their eyes and showing them that, after all, it is a simple bit of mechanism that nobody need be afraid of. It is easy to interest folks in a demonstration of this sort because grown-ups, no less than children, like to see 'what's on the inside.' Once interested, they are easily convinced—and the job is done."

As the "job was done" under Mr. Kean's direction in Chicago a few weeks ago, the first demonstration not only accomplished its primary purpose of educating the public, but also boosted daily sales for the retailer 300 per cent. So successful was this first demonstration, held in the Commonwealth Edison Company's store in Chicago, that the Edison Electric Appliance Company has decided to send demonstrating teams about the country this summer. The plan of the demonstration, in brief, is as follows:

In one of the display windows of the company a young woman from the Hotpoint factory was put to work making cords for the electric flatiron.



Visitors witness the making of a Hotpoint iron

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Window cards invited the gathering crowd to come inside and visit "a corner of the Hotpoint factory." "Come in and see the manufacture of the Hotpoint iron," one read, and another, "From foundry to kitchen—see them made."

Within the store a sure-enough bit of factory production was in progress. Employees from the Hotpoint factory were working just as they work in the plant. A young woman, apparently oblivious of spectators, expertly wound the electrical unit that is the heart of every electrical heating device; inspecting every operation and testing with delicate recording instruments.

Meanwhile the "foreman" explained that the young woman was winding the unit with nichrome wire, a patented alloy that resists the passage of the electric current and so produces heat. He passed the finished product through the crowd for inspection.

Next the unit was "lighted up" and the ruddy glow, increasing in brightness, showed the housewife just why her iron becomes hot. It also proved that the point of the iron is the first to become heated and the part that becomes hottest.

"See the point?" punned the demonstrator. "It gets red-hot first. Hotpoint in name—hotpoint in action. Not a center-heat iron but a Hotpoint iron."

The attention of the spectators was next attracted to an exhibit of raw material parts, showing each operation step by step in the manufacture of each unit. Then followed a stop at the assembly booth where a workman put the parts together—proving that, though the manufacture of an electric iron is a process of many stages, scientific knowledge and right material, the finished product, after all, is a comparatively simple mechanism.

While the workman assembled the various parts, the demonstrator explained the why and how of each unit and operation. He closed his talk by announcing the price and easy payment plan—and returned to a new group waiting to go through "the Hotpoint factory."

It is easy to see how such a demonstration accomplished its educational purpose. It is interesting to note in passing, however, its effectiveness in stimulating sales. Daily sales ran more than 300 per cent over the average for six months previous. The most interesting aspect of the sales stimulus, perhaps, was the fact that three days after the closing of the demonstration daily sales eclipsed all past records and that the company still feels the impetus.

"From a 'cash register' standpoint the experiment was an immense success," says Mr. Kean, "but what is even more gratifying to the Edison Electric Appliance Company is the fact that the public demonstrated its eagerness to stop, look and learn."

Selling Coffee by Demonstration

By O. D. Foster

WHEN Fred. S. Phinney opened a small retail coffee shop in the lower Bronx, New York City, he decided to learn all he could about coffee. He talked with importers and with visiting growers from Brazil; he watched and studied the various methods of roasting.

Next he bought a roaster—a little roaster, family size—and set it up in the corner of his shop. In the middle of the shop he installed a double-tiered revolving table. At one side he connected up a one-burner gas stove, and thereon he placed a shiny copper kettle. On the shelves he arranged a row of dainty cups and saucers. Higher up he placed a row of "tricolators"—objects that resemble percolators but boast an extra fine screen, a screen covered with filtration paper.

By telephone calls and by a sign at the entrance, Mr. Phinney invited housewives in his neighborhood to call and inspect his roasting machine. He would be glad, he said, to demonstrate the proper methods of making coffee.

"Tell me what kind you like and I'll make up a special blend for you to try," he promised them; "you'll be served direct from an individual tricolator."

Did they come? They did—and still they come. Between 10 and 12 o'clock every day the women stop in on their way to market, sample coffee and learn how to make it. If a customer can wait she may have her coffee fresh roasted, still warm from the fire. If she can't wait she can order in the evening and get the coffee next day; she'll find the bag tied up and waiting for her on an individual shelf.

Quite as interesting as Mr. Phinney's service is his method of educating his customers, the education covering all points from the picking of the green coffee bean to removing the stain left on the tablecloth by the morning cup. He emphasizes, of course, those points relating to preserving and making coffee in the home. He tells his customers why coffee should be kept in an airtight can; he explains how the aromas volatilize and are lost after the coffee has been ground for some time. He earns their good will by advising them to buy coffee in small amounts and let him grind it for them, so it may reach the table in the best condition. He explains why coffee should not be boiled and how, when properly filtered, it retains 100 per cent of the flavor. Indeed, he emphasizes the fact that in making coffee most people use twice as much as is necessary to produce the desired strength and flavor.

In this business Mr. Phinney has invested his shop with an atmosphere that is more social than mercantile; he is less a merchant than a host. For one need not be a customer to learn from Mr. Phinney what he knows about brewing coffee. The latch-string is always out, and all visitors are guests.

He invites you to sit down and sample his coffee that he may blend for you a combination to suit your peculiar taste. He creates the impression somehow, as he prepares that coffee, that he and all he has are at your disposal; that he can, indeed, summon the resources of vast and distant coffee plantations, and that he'll gladly do so in the attempt to give you what you want.

Over the cup that is to be yours he spreads a small wire frame; within the frame he places a circular strip of immaculate muslin and a filtration sheet. Within the muslin circle he places one teaspoonful—not a tablespoonful—of pulverized coffee. Over this he pours water maintained at 212 degrees in the shiny kettle; in a moment he removes the frame, and you are served. If you happen to be a connoisseur Mr. Phinney may place three or four cups on the upper rim of the revolving table and gently impel them toward you, one by one. Each holds a special blend, and when you have tried them all you feel that life, indeed, is worth living.

After you have finished your coffee Mr. Phinney shows you his roaster and explains how it works. You learn that there are five different methods of roasting, and you learn the details and advantages of each. You learn that coffee should be pulverized if it is to yield up its full strength; that the water should be freshly boiled; that if you use muslin and filtration paper there will be no sediment; that the filtration cloths never should be dried out, but should be kept in clear cold water in covered jars.

His ability to supply information of this kind, Mr. Phinney believes, is the most effective part of his selling system. Does it pay? If one may judge by the stream of customers that flows through Phinney's shop, it pays.

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Nemesis and the Native Rogue

By William C. Campbell





HERE IS A PARADOX from the book of the credit man. It is taken from the chapter entitled, "Bad Checks," and from the section of that chapter that is sub-headed, "Insufficient Funds:"

> Of all operators of bad checks, the bird who is easiest to get is the professional, the stranger, whom nobody knows; and the hardest to get is the home-town geek, whom everybody knows.

Now a paradox is a deceit, a mere axiom masquerading in a spectacular disguise of words. Strip off the disguise and you find commonplace truth. Thus, when the credit man says that the professional check operator, the stranger whom nobody knows, is the easiest to "get," he means that policemen can trail down the stranger and put him in jail and take away his gifted pen. And when he says that the home-town writer of invalid checks, the native whom everybody knows, is the hardest to "get," the credit man means that, although the native is easily found, nobody desires to track him down and put him in jail and take away his busy check book.

There is a certain middle western town that has some ten thousand inhabitants and a state university. The retail merchants in that town have had so many bitter experiences over so long a period of years with insufficient-fund checks that they have come to look upon their losses from that source, not as losses, but as expenses. Thus, instead of waiting until the end of the year and then totaling the protested checks that have been passed over their counters and charging off the total as a loss, this town's merchants have come to anticipate their bad checks and to make allowance for them in their budgets just as they anticipate the items of rent and salaries and advertising and taxes. But that middle western town is not Topeka, Kansas.

Topeka believes in calling things by their right names. Topeka regards the writing of bogus checks, not as a necessary evil and not as an annoyance, but as a plain, every-day criminal offense, a crime under the laws of the State of Kansas. And Topeka, through its Topeka Merchants' Association, has set about the job of cleaning up its commercial community by prosecuting that crime, and so ending it.

The man behind the prosecution is Milton Tabor, secretary of the merchants' association. In most respects Mr. Tabor is as mild-mannered a man as you would care to meet. But on that single score of bad checks he is implacability personified.

YOU see," said Mr. Tabor, sketching a word picture that every retailer will recognize, "it isn't the professional check operator that causes the big losses to merchants. That chap we can catch, and, when we catch him, almost any of his victims is willing to prosecute him. It's the home talent that introduces the complications. Merchants are in business to sell goods and make money. You can't blame them for shrinking, individually, from the risk of offending the family of a customer who has written an invalid check; besides, any retail establishment dislikes the sort of publicity that results from 'going after' somebody.

"What we are doing here in Topeka isn't spectacular. Indeed, it seems to us to be the most natural and most logical expedient that we could employ. The state law provides a means of dealing with persons who write checks without sufficient funds in the bank to meet them. We are simply using the means that the law provides. We have agreed, as an association, to prosecute these cases. We are sticking to our agreement. And, acting as an association, we relieve the individual merchants of the thankless responsibility of prosecution."

Consider a typical case. A young man about town, who, until a few weeks ago, had a good job, is now out of work. But he still has his social responsibilities. He has a small motor car. He travels with a crowd of gay young blades who play a little Kelly pool on Saturday nights and who, on occasion, gather in the room of one of the group for a gentlemanly session of poker. Also this young man "has a girl." Until recently he has had an account in one of the banks. During his more prosperous days the merchants up and down the main street have taken his checks. Just now, although nobody except the young man and his banker know it, his balance in the bank is woefully low.

It is a Sunday evening. The young man has a date; he has agreed to take his girl to a movie show. He aims to drive up to her house in his little motor car with a nice, big box of candy; she has become accustomed to that sort of thing. But the young man is broke.

However, he has been broke before; and he knows what to do. He drops in at a restaurant where he is known and orders his supper. His bill is 75 cents. At the cashier's desk he writes a check for $5. The cashier accepts his check and gives him $4.25 in change. But $4.25 is a narrow margin wherewith to finance an automotive Sunday evening date; besides, there is still the nice, big box of candy to be bought. Accordingly, this well-liked young man about town crosses the street to a drug store, wherein he is well known, and there he selects a box of chocolates for $2.50, writes another check for $5, pockets his change and lightheartedly goes his way.

The two checks go to the bank on Monday morning and Monday afternoon they return respectively, to the restaurant man and the druggist, each protested for non-payment.

This particular typical case is not

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By Arthur Stone Dewing
Assistant Professor of Economics, Harvard University

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Five Volumes, 953 Pages, 1920 (second printing 1921)

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fiction. It happened in Topeka. What was to be done? To explain what actually was done in this case, it is best to go back a little and indicate what would have been done with such a case before the members of the Topeka Merchants' Association, early this year, made their agreement concerning insufficient-fund checks.

Kansas has a statute that provides penalties for drawing invalid checks. The same statute provides a means of escaping the penalties. If the invalid check is for an amount less than $20, the law sets forth, the writer may be fined not less than $25 nor more than $100, or imprisoned in the county jail for a term of ten days to six months, or punished by both the fine and the imprisonment. If the amount of the check is more than $20 the offense is considered a felony, and the fine may range from $100 upwards and the imprisonment sentence—in the state penitentiary—from one year to five years.

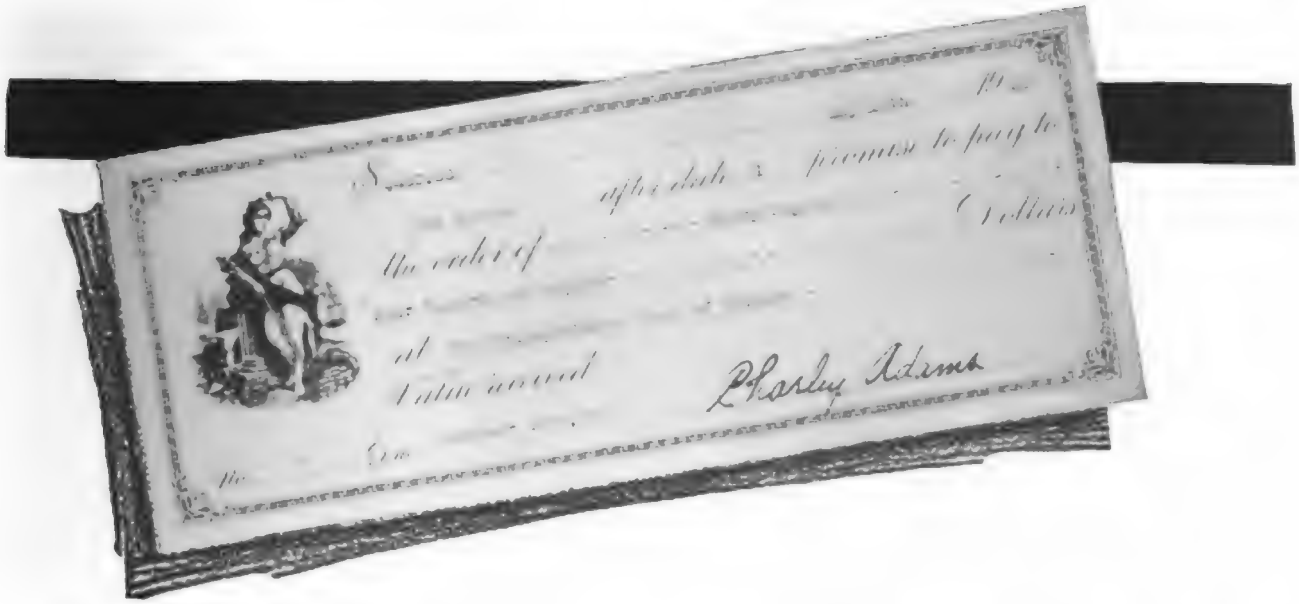
But—and here is the means of escape—the prosecution may be abated upon payment, by the defendant, of the amount of the check and the court costs. If the defendant can prove to the court that he had an account in the bank thirty days before the drawing of the invalid check, and if he makes this showing before the case goes to trial, he may "make good" the check, pay the court costs and his lawyer, and go free.

Naturally, the effect of this law, in many cases, has been to make the court of law a collection agency. Merchants, when "caught" by bogus checks, would sometimes bring prosecution; but they would prosecute only with a view to compelling the check writer to "make good." Nobody thought of prosecuting aggressively, with a view of making the check writer an example. Even the officers of the law, mindful that the complainant sought merely to recover his financial loss, were complacently lenient—and naturally so.

In February of this year Milton Tabor became secretary of the Topeka Merchants' Association. Just about the first thing he did after he took the job was to go into the matter of invalid checks. He talked with the merchants and with their credit managers. He discovered that in one of the department stores, for instance, the management had come to expect fifteen to twenty bogus checks a week. He discovered that the losses of all the stores, in the aggregate, were running into thousands of dollars a month.

Mr. Tabor laid his findings before the merchants' association. He recommended prosecution under the Kansas law—vigorous, follow-up prosecution of the chronic authors of "short" checks. "Go to it," the association

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Did Adams Pay Twice?

What would you have done if you had been in his place?

CHARLEY ADAMS entered his office whistling. "Just had a piece of luck," he said. "I came in for $400 when my cousin died — just enough to take up Payson's note."

His bookkeeper looked up. "The note is not due yet," he replied. "Better keep your money as long as you can."

"Not me," laughed Charley. "I want to get this off my mind."

He called up Henry Payson on the telephone. "Say, Payson, I am mailing you a check for $400 in payment of your note. It won't be due for two months, but I guess my money is good any old time. Send the note over to me when you get around to it."

But Payson never "got around to it." Within 10 days of the note's maturity he found himself in financial difficulties. He sold the Adams note to one Collins for $350 and then disappeared with the total proceeds.

Important Questions

In due time Collins approached Adams for payment of the note. Could Adams be made to pay the note again? *What would you have done in this case?* The rest of this story and the solution is told in our descriptive booklet of legal pointers. You may have a *complimentary* copy of the booklet upon request.

Tips for Business Men

The point of law involved is very simple. If Adams had only understood it, he would never have put himself in such a difficult position. But even the shrewdest business man may very easily be caught this way, unless he understands fundamental legal principles. There are, literally, *hundreds* of such pitfalls in business.

As a means of helping business men eliminate costly mistakes, the experts of Blackstone Institute have tabulated more than 300 business transactions in which legal errors frequently occur.

This information is put into a special series of 48 "Four Minute" Training Bulletins, each one of which contains 8 practical illustrations of common business errors. These Bulletins are replete with important tips for business men, legal pointers that may save you money, and business facts that every man should know.

Vital Information—Free

These bulletins are offered as an integral part of our Legal Training Course and Service to which former President William Howard Taft and 80 other eminent legal and business authorities have contributed.

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Read the solution of the Adams story and the other legal illustrations which this book contains. The points involved will perhaps surprise and startle you, and may be the means of saving you thousands of dollars this year.

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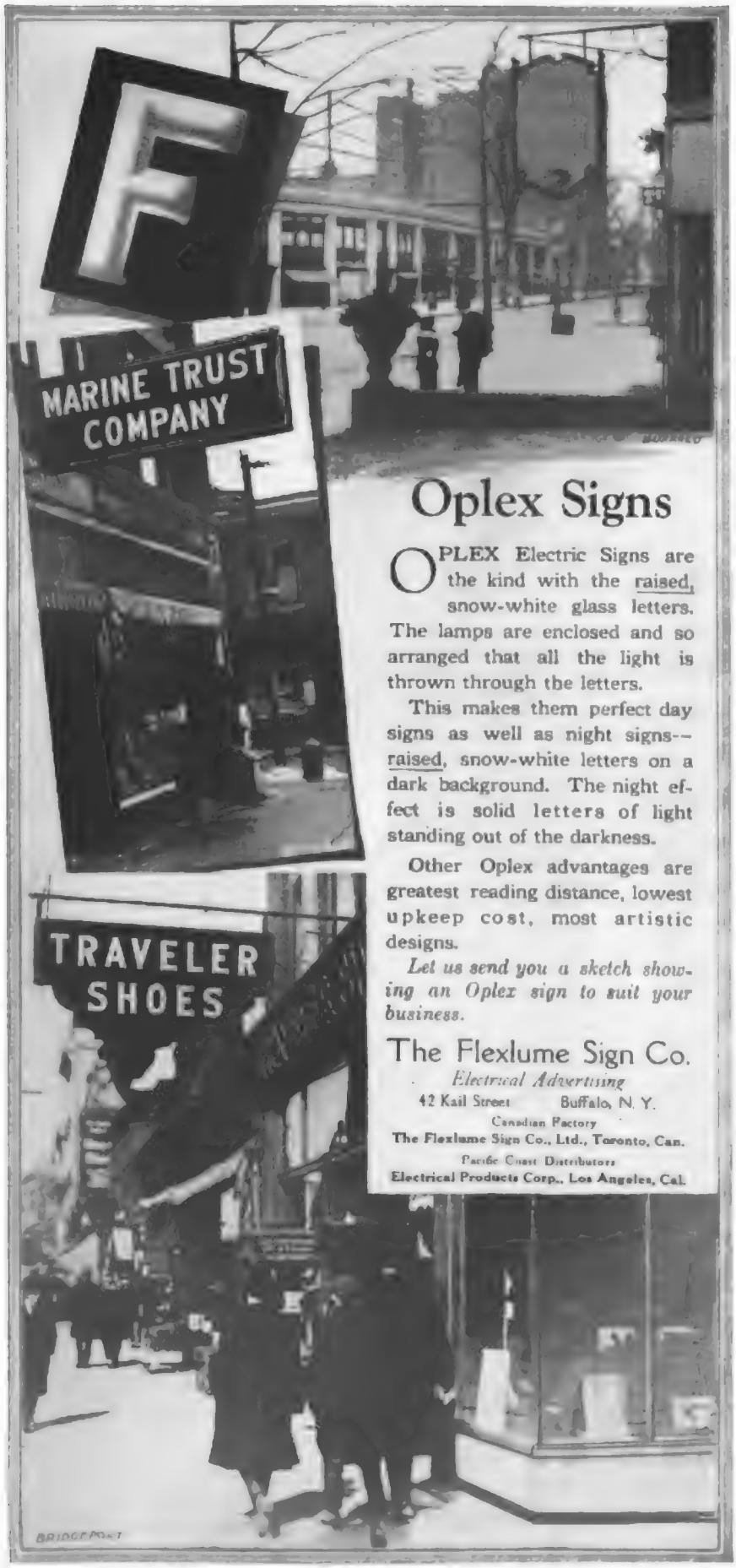
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OPLEX Electric Signs are the kind with the raised, snow-white glass letters. The lamps are enclosed and so arranged that all the light is thrown through the letters.

This makes them perfect day signs as well as night signs—raised, snow-white letters on a dark background. The night effect is solid letters of light standing out of the darkness.

Other Oplex advantages are greatest reading distance, lowest upkeep cost, most artistic designs.

Let us send you a sketch showing an Oplex sign to suit your business.

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The Flexlume Sign Co., Ltd., Toronto, Can.
Pacific Coast Distributors
Electrical Products Corp., Los Angeles, Cal.

directed its secretary; "we'll back you up."

Go to it he did. First the new secretary went to the county prosecutor and the county sheriff and assured each of those officials that thereafter prosecution in bogus-check cases was to mean, not enforced collection, but punishment. Then he gathered evidence for his first case, and within three days he had his first check writer under arrest. The defendant was that same well-liked young man about town. Mr. Tabor himself might have held off a little in that particular case, had it not been for the fact that the well-liked young man was still writing fiction—and still selling it. It appears that when the restaurant man and the druggist, his first purchasers, had pressed him for payment of the first two checks, the young man had written two more, cashed them in two other places, used the proceeds to "make good" the first pair, and later had written still another pair—each for $5—to pay the second pair.

The new secretary of the merchants' association knew of that loop-hole in the Kansas statute—that thirty-day saving clause. He hunted until he found two checks, both invalid, and both dated after the thirty days of grace had expired. Then, with those checks, he went into court as the complainant behind a prosecution that had for its object a jail sentence for that well-liked young man.

That was the beginning. Other prosecutions, just as aggressive, against other check writers followed that first one. One—another typical case—was brought against a man who had been a chronic offender for so long that he had established himself as an institution. He had been drawing invalid checks for years. Sometimes, when closely pressed, he paid them; many times his operations had been allowed to go by default and the losses had been charged off as bad debts. That imaginative individual went to jail.

Topeka was "cleaning up." The cleaning-up process is still going forward; and it has produced results.

C. L. Edwards, credit manager of the Crosby Brothers Company's department store, biggest retail establishment in Topeka, said there had been "a most decided decrease" in the number of invalid checks passed in the Crosby store since the campaign of prosecution began.

"Of course," Mr. Edwards said, "we still get a few checks that turn out to be invalid; but usually the cause is carelessness or a misunderstanding, and not a deliberate desire to defraud or to delay payment of a bill. In such cases it is necessary for us merely to call up the person who issued the check, and he comes down to the store

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immediately, apologizes for the mistake and 'makes good.' We don't worry about those cases. It's the chronic 'deadbeat,' the fellow who aims to stave off paying his bills, that used to cause the annoyance, the expense of collection, and sometimes an outright loss. But Topeka is getting too hot for him."

Mr. Tabor estimates that the campaign of prosecution thus far has eliminated 50 per cent of the merchants' losses from bad checks. This estimate was confirmed by J. D. Mossman, cashier of the Central National Bank, of Topeka. "I haven't the exact figures," Mr. Mossman said, "but if Tabor puts the decrease at fifty per cent, I would say he is right, because Tabor is conservative."

Not every case that seems to call for prosecution is prosecuted at the start.

"I'd rather have the store first make an effort to collect," Mr. Tabor explained. "The stores have standardized their methods. The first move is to get into touch with the person who wrote the check and tell him about it and ask him to 'make good.' Generally the store sends him a form notice, enclosing a synopsis of the Kansas law concerning invalid checks. Then, if that method fails, the next step is prosecution and the case comes to me. That's where I start; and when I start a prosecution it isn't with a view to getting the money. My object is a jail sentence for somebody. I'm not selling anything; I don't need to be afraid of hurting anybody's feelings. When I go into court I have the whole association back of me. You'd be surprised at what a difference that makes!"

Everybody Satisfied

A Detroit hardware dealer was carrying an account that was long overdue, the customer having ignored numerous requests to come in and settle up. Finally the hardware man added a fictitious item to the man's bill in his monthly statement, "To six hammers at 85 cents each, $5.10."

A day or two later the man came in, visibly annoyed, and pointed an accusing finger at the statement in his hand.

"You've charged me here for half a dozen hammers," he asserted, "and I've never bought a hammer in my life—either here or anywhere else."

"That's funny," said the dealer; "there must be a mistake somewhere. If you say you didn't buy any hammers here we believe you. We'll just deduct $5.10 and you can pay the difference."

The customer acted on the suggestion and went away, happy in the thought that he had asserted his rights to a square deal and escaped an overcharge.



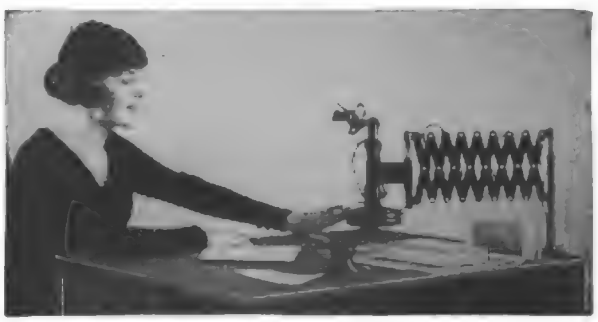
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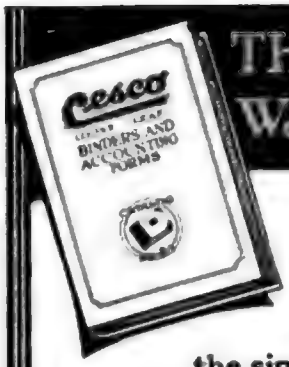


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It takes a minimum of effort to bring your telephone into position—and to push it back out of the way again—with a Sperry Telephone Arm. Busy office folks are quick to appreciate the greatly added convenience of this type of telephone arm.
It is always within reach—and always out of the way.
The Sperry Arm is also furnished with the Universal Attachment which permits an up and down movement as well as the sideward and forward and back movement.
The beauty of the Sperry Arm is that when it is put in a certain position it *stays put.* A convenience worth installing.
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The trouble and expense of replacing old lighting equipment has been eliminated with the *Snapon Lighting Unit* which can be *Snapped on* to any present light outlet (where a standard socket is in use) by your *office-boy* or *handyman*, thus saving the expense of an Electrician and the tearing out of your old equipment.

These fixtures are guaranteed, and we accept your order with the understanding that they are *returnable at our expense if not satisfactory in every way.*

These fixtures will accommodate the standard 200 watt Gas Filled lamp and will perfectly illuminate an ordinary room without the use of other lighting.

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Price is for fixture only no lamp or socket included. Regular terms to rated concerns, otherwise cash with order.



The ART METAL MFG. Co.
MAKERS OF "AMCO" PRODUCTS
CLEVELAND, OHIO



Builders of Retailing Science

(Continued from page 12)

which was scientific yesterday, because it represented the best that yesterday knew, may be obsolete today, because today has learned something new and better. So it is with this new science of retailing.

With certain general truths and general laws that its investigations and its interchange of experience have established, the Mercantile Research Group is satisfied—for the present. That, says the group, of some method or practice that has been tried and found efficacious and safe, that is good. But how about this, this new thing that has not yet been tested and proved sound? Conditions change, and with them practice likewise must change. Always, too, there will be the pioneers of method, imaginative enough to visualize a new technique and nervy enough to try out a new expedient.

One store in the group—the M. L. Parker Company—has standardized its prices. From art goods to house furnishings and from the basement to the top floor, every selling price in the store has been established and scheduled. In the hosiery department, for instance, stockings are to be sold at 35, 45, 55, 65 and 85 cents, $1, $1.25, $1.50, $1.95, $2.50, $2.95, $3.50, $3.95 and so on up to, say, $8.95 a pair. In that hosiery department selling prices never skid. They never slip downward, by 1-cent and 2-cent or 5-cent or 7-cent degrees, until they reach that level at which the goods will sell. Fifty-five cent stockings, for instance, sell at 55 cents. Until he has convinced himself that they will not sell at 55 cents the department head may not—and will not—cut the price; and when he does cut, the mark-down will be, not to 49 cents or 47, but to the next lower price level in his schedule of selling prices—45 cents. So, throughout the store, in every department and in every kind of merchandise, selling prices, indelible and non-shrinking, have been determined and established.

So, too, throughout the store and in every department and every line of merchandise, there is an immutable schedule of buying prices. Thus, in the hosiery department, for the hose that is to sell at 35 cents a pair, the buyer may pay, say, from $2.50 to $2.75 a dozen; for hose to sell at 45 cents he may pay $3.15 to $3.50 a dozen; for hose to sell at 55 cents, he may pay $3.75 to $4.50 a dozen; and so on up to the plutocratic article to retail at $8.95 a pair, for which he need not go lower than $62.50 and must not go higher than $67.50 a dozen pairs.

For comparison, one month, the book-writing firm of accountants went into the matter of prices in the group store—this, by the way, at the time

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when the group consisted of seven units. At what prices are the most sales made? Regardless, generally speaking, of such qualifications as quality and individual tastes, what prices are most popular with the public? Narrowing the subject down to comprehensible limits, the accountants selected three kinds of merchandise—hosiery, waists and underwear—and asked each of the seven stores in the group: "How much goods, in these three lines, have you sold at every price?" The information came in and the accountants embodied the facts in a book, illustrated with charts.

The book's preface made this perfectly natural admission: "There is such a tremendous fund of information disclosed by the price-comparison charts that an attempt to examine them in detail for each store at this meeting would consume too much time."

Summarizing the statistics on hosiery, the text pointed out that the seven stores reported a variety of seventy-one different prices, tabulated as follows:

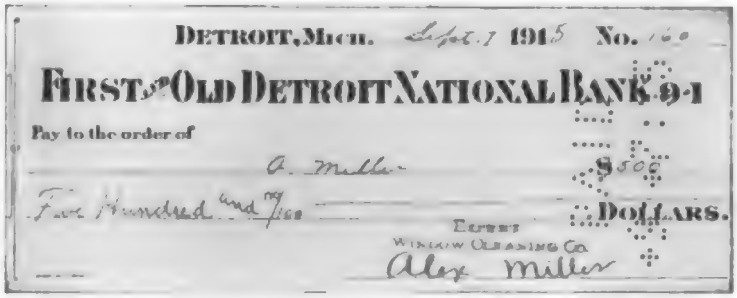
Store	Total number prices	Pairs sold
No. 1	30	1,958
No. 2	32	2,952
No. 3	25	970
No. 4	14	3,566
No. 5	40	1,535
No. 6	34	2,164
No. 7	27	1,102

Store No. 4, with its fourteen prices and its 3,566 pairs sold, is the M. L. Parker Company, the store of standardized prices. The accountants' book made this comment:

"It will be noticed that Store No. 4 not only had by far the fewest prices, but sold by far the greatest number of pieces. Store No. 2 has a very good hosiery business, but it is evident that a number of prices now carried can be eliminated. The quantity sold at each of fourteen of the thirty-two prices (in Store No. 2) was less than 1 per cent of the total amount sold, and the entire quantity sold at these fourteen prices was only 3 per cent of the sales.

"The charts would indicate that as few as fifteen and not more than twenty different prices are required to do a maximum volume of business in hosiery. The following prices are the best to use, according to the figures reported: 25 cents, 29 or 30 cents, 35, 39 or 40, 45, 50, 59, 65 or 69, 75 and 85 cents, $1, $1.25, $1.45 or $1.50, $1.65, $1.75, $1.95, $2 or $2.05, $2.25, $2.50, $2.65 and $2.95.

"Confining lines to these prices, using care to keep lines complete as to sizes, and concentrating selling effort will result, we believe, in an increase in business and a reduction in investment—consequently a larger turnover



Raised by the office girl from $5 to $500

She Got More Than Her Employer Had in the Bank.

The writer of this check did not have $500 on deposit, but he had to make good the entire amount just the same. He was the careless one—not the bank—and the courts have ruled that the negligent signer of a check cannot hold the bank responsible for loss, even on an overdraft.

Mr. Miller used a sensitive tinted paper, but it did not prevent the alteration. He sent his office girl to the bank to get $5. She came back and gave him the $5, then disappeared with $495.

He says he was lucky to get the five.

Had he written the check—

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ADVERTISING SECTION

and a greater net profit. The prices of 35 cents, 45 or 50 cents, 65 cents, $1, $1.50, and $1.95 are especially good and should be featured."

Again in waists, with its standardized and scheduled selling prices, Store No. 4, the M. L. Parker Company, led in sales with a total of 530, as compared with the total of 334 of the second highest store. The line-up was:

Store	Total number of prices	Units sold
No. 1	29	334
No. 2	32	223
No. 3	13	57
No. 4	14	530
No. 5	16	204
No. 6	43	263
No. 7	29	135

Commenting upon this summary and upon the showing of the detailed charts on waists, the accountants arrived at these deductions: "Twelve to eighteen would seem to be an ample number of prices for waists; and confining your efforts to this number would have the same result as that stated under the subject of hosiery. The following prices are indicated as being the most popular: $1, $1.50, $1.98, $2.50, $2.95 or $2.98, $3.45 or $3.50, $3.95 or $3.98, $4.85 or $5, $6.50, $7.50, $7.95, $9.95 or $10, $12.50, $12.95 and $15. It is particularly noticeable that the prices ending in 95 are the most popular—such as $3.95, $5.95, $7.95 $9.95 and $12.95."

In sales of underwear, Store No. 4, with its standardized prices, ranked not first, but fourth, despite the fact that in its underwear department this store had by far the smallest number of prices. These were the results:

Store	Total number of prices	Units sold
No. 1	46	1,716
No. 2	43	2,380
No. 3	29	772
No. 4	13	1,500
No. 5	57	1,316
No. 6	40	1,822
No. 7	29	635

On the subject of comparative underwear prices the accountants wrote: "While Store No. 2 sold the largest quantity of underwear, twenty-two of its fourty-three prices represented less than 1 per cent of its sales. On nineteen of the forty-six prices used by Store No. 2, less than 1 per cent of the total sales were made. In Store No. 5, which has the highest number of prices, thirty of the fifty-seven produce less than 1 per cent of the total sales."

Is price standardization good practice? To the Mercantile Research Group the weight of the evidence appears to be on the affirmative side. But the group is not yet ready to

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adopt the method in its entirety. Some of the stores, watching the experience of the M. L. Parker Company, have standardized prices in certain of their departments. The Denecke Company standardized prices in neckwear and then tabulated neckwear sales and studied the results. In neckwear in the Denecke store, it was made clear, the most popular price, regardless of style changes and regardless of the merchandise, was $2.95.

But the Mercantile Research Group has scrutinized price standardization from both sides—from the side of the merchant who adopts the plan and from the side of his competitor who continues in the old method of buying as advantageously as he can and adding his mark-up to his fluctuating buying prices. The group knows the attitude of the non-standardizing competitor. "Let 'em go to it," he says. "The longer they keep it up, the better I'll like it. Because they won't cut a price, except to drop to their next lowest level, I can always undersell them by a few cents on almost any article and thus get the business." The group knows, too, the standardizer's reply to that. "Let 'em undersell me," he says; "they can't keep it up long enough and consistently enough to hurt me and still continue in business themselves. I've figured my costs so closely that I know that they can't stick to an under-selling policy and live. Besides, I'll hold my trade through having educated my customers into preferring to deal with a concern that doesn't have the appearance of dickering with them."

Price standardization, as the Mercantile Research Group views the matter, is still something to be watched, something to be studied and something whose results and deductions are still to be added to the structure of retailing science.

So much for detailed study and detailed thought—and the detail that has been suggested herein constitutes only an outline of what the group has done. Meanwhile, however, throughout all its activities, from the time of its formation, the Mercantile Research Group, as a typical co-operative undertaking, has discovered certain general truths and determined the operation of general laws with reference not merely to individual retailing but to group organization of retail stores.

The first and most obvious of the general truths is that group organization for the interchange of retailing knowledge is a good thing—good for the average department store in the average American community. Group organization, these Middle Western stores have demonstrated, not only makes possible the formulation of a science of retailing, but enables these mercantile executives to handle more

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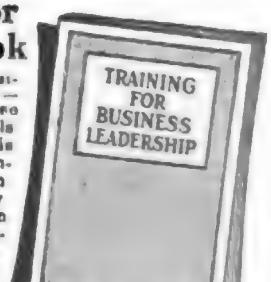
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Washable Maps Will Help You Sell

Visualize your territory. Follow the movements of your salesmen, and check up on the results of your advertising. Know at a glance where sales are coming up to the quota and where additional sales pressure is necessary.



You can mark on Washable National Maps as you would a slate or blackboard. When you want to make changes, simply erase the marking with a sponge, damp cloth or art gum. The maps are mounted on heavy compo board, which makes possible the use of colored map tacks to show additional information.

The Multi-Unit System

Keeps all your maps together in a compact, convenient and efficient arrangement. Forty large maps in the wall space required by one. Simply turn a wing and you have a new map before you. Several sizes and styles, to meet the requirements of any business. Send for Catalog B.

"Tack Talk," a little booklet on the use of map tacks in visualizing trade territory, sent free on request.

NATIONAL MAP COMPANY

INDIANAPOLIS *"Map Makers for 36 Years"* NEW YORK

Address Dept. B-7, Murphy Bldg., INDIANAPOLIS, INDIANA

intelligently the day-to-day situations that confront them in their individual stores.

Then there is the matter of form of organization. For the average store, not yet ready to join some big-league group, such a plan of organization as that of these six stores in six average cities, a plan that is easy of execution and economical in its operation, seems to be a happy one.

There is the matter that might be termed personnel of membership—the class and size and trade territory surroundings of the individual stores in the group. In any sort of comparison, accuracy demands that only like things be compared. Obviously, the stores in the group should all be of the same kind. Furthermore, in the opinion of the Mercantile Research Group, the stores should be of very nearly the same size and situated in cities of nearly the same size and kind.

For a time a department store in Minneapolis was an active member of the Mercantile Research Group. But experience demonstrated that this store, situated in a city much larger than the home communities of the other stores, was out of place in the group. Its conditions were different; it had a different point of view; in the councils of the group, figuratively at least, it spoke a different language. The Minneapolis store withdrew from membership.

Then, within the group itself, there is need for that degree of definition of terms and standardization of method that will permit of accurate comparisons. All six of the stores in the Mercantile Research Group, for instance, are similarly constituted as to classifications of merchandise. Thus, in every group store, Department One means art goods, Department Two means another specific kind of merchandise, and so on throughout the departments. Accounting definitions, too, have been standardized. There is, for instance, the item of rent. All six of the stores use the same method in charging rent against departments; and this is the method: First, 10 per cent of the total rent of the store is charged against the display windows; then the charge against each department is apportioned, not on a basis of floor space or of position in the store, but of the ratio between the anticipated sales of the department and the anticipated sales of the store. Accordingly, when, in one of the accountants' charts, there is, for example, a comparison of the percentages of expense to sales in a certain department, every member of the group knows exactly what kind of merchandise is involved in that comparison, what items of expense have been included and how those items have been figured.

Finally, there is the matter of

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The Economy of Roll Printing

THE big modern newspaper of today is made possible by the economy which results from the high speed of roll printing. Paper is fed into these immense multiple presses from large rolls and comes out at the rate of seventy-two thousand folded newspapers per hour ready for delivery at the extremely low cost of less than three cents per copy.

Roll printing, fortunately, is not confined to newspapers alone. For all kinds of records where more than one copy of the original is desired, such as sales slips—bills of lading—requisitions—shop orders—invoices, etc., the application of high speed roll printing reduces the cost to considerably less than that of padded forms.

In addition to the economic printing cost the actual writing of the records is simplified through the use of roll printing in a Standard Manifolding Register. Wherever padded forms are used or wherever one or more carbon copies are desired, Standard Roll Printing in connection with Standard Manifolding Registers will make it possible to do the work in less time, at less expense and with greater economy.

The Standard Manifolding Register has exclusive features that have revolutionized the use of manifolding devices. No matter how many carbon copies of forms you may need—regardless of how complicated the forms may be, all will be exact copies, perfect in alignment. The machine operates without binding. The carbon paper will not crumple or tear, and no time will be wasted in repairs or adjustments.

Our Service Is FREE

If you are interested in better methods—methods that will save expense, reduce overhead, give you better control of different departments and eliminate errors—our Service Department will be glad to provide you with samples of forms, and suggestions that will aid in accomplishing the results you desire.

MAIL COUPON FOR REPORT

THE STANDARD REGISTER CO.

68 Albany Street, Dayton, Ohio

Standard

Manifolding Systems and Roll Printing

CHECK

PIN TO LETTERHEAD

The Standard Register Co.
68 Albany St., Dayton, Ohio

Without obligation, send me booklet and samples of forms showing most modern methods of handling items checked below.

- ☐ Bills of lading
- ☐ Express Receipts
- ☐ Invoices
- ☐ Shop Orders
- ☐ Purchase Requisitions
- ☐ Receiving Records
- ☐ Delivery Records
- ☐ Sales Records
- ☐ Stocks Records
- ☐ Piece Work Records
- ☐ Departmental Orders
- ☐ Repair Orders
- ☐ Special Requirements
- ☐ Money Drawer Register

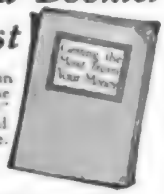
Why Gamble?

The basic Law of Action-Reaction governs both speculative and investment markets. While it is impossible for any one to anticipate "day-to-day" ripples, the great major movements are regular almost as the tides themselves.

Babson's Reports

Based on fundamental statistics, Babson's reports carefully forecast these major movements. They enable you to find the real "buys" at low tide—to sell out as your holdings reach near the peak—and then to buy in again at close to bottom prices.

Report and Booklet on Request



A recent Babson Bulletin and booklet "Getting the Most from Your Money" will be sent to interested investors without charge.

Merely Ask for Bulletin G-42

Roger W. Babson's Statistical Organization
Wellesley Hills, 82, Mass.
(Suburb of Boston)
The Largest Organization of Its Character in the World

Clip Off Here

MEMO For Your Secretary

Write Roger W. Babson, founder of The Babson Statistical Organization Wellesley Hills, 82, Mass., as follows: Please send a copy of Special Bulletin No. G-42 and Booklet, "Getting the Most from Your Money"—gratis.

Hano Loose Leaf Forms

Save Time and Money

For 31 years we have been developing short cuts in record keeping for all lines of business.

Our new plant in Holyoke, Mass., eliminates high cost of 21st City manufacturing. Big production also enables us to save you 20 to 25 per cent.

Duplicate and Triplicate Bills of Lading.
Salesmen's Duplicate and Triplicate Order Books.
Billing Systems in Books and Loose Leaf.
Systems for Department Stores, Banks, Offices, Factories, Schools, Institutions.

Send us a set of your present forms with yearly needs of each. Our Service Department may be able to save you time and money.

Philip Hano & Co., Suite 264, 799 B'way **New York City**
Factory: HOLYOKE, MASS.
Oldest firm in the Business

Mimeograph Users

will be interested in the latest **Halco Quality Product—Rotary Duplicator Ink No. II.**

This is the best ink obtainable for use with the mimeograph, Neostyle and similar stencil duplicators. It is especially suitable for use with all papers, dries rapidly on bond and other hard finish papers, and where interleaving is not used it will not offset to the degree found in other inks.

We will gladly supply further information and prices upon request.

SHALLCROSS CO.
1450 Grays Ferry Rd. **Philadelphia, Pa.**
We also manufacture Halco Re-Inking Machines

personal attitude. On this point it may be well to have the testimony of the man who, at the time this article was written, was chairman of the Mercantile Research Group—Mr. Torgenson, president of the Denecke Company:

"In any group, there should be absolute frankness among the members," Mr. Torgenson says. "At our own group meetings and in all our group relations we are just as open and candid with each other as we are informal. In every investigation and on every subject before the group we lay all our cards on the table. Last fall, for instance, we compared balance sheets; every store in the group made known its assets and liabilities. As another example of frankness, when we were comparing expenses, we revealed to each other our salary lists; we told each other what all our people made, from the president down to the office boy. We have told each other facts about our business that we never before had revealed. And from each other and among ourselves, in a little more than two years of co-operation, we have learned more about retailing than any one concern of us, as an individual store, could have learned in a lifetime."

Back to Woodcuts

Getting good reproductions of illustrations in newspapers has long been a vexing problem for advertisers. Recently a number of national advertisers, notable among them the House of Kuppenheimer, of Chicago, have turned to woodcuts.

The House of Kuppenheimer experimented with many methods in an effort to do justice to its illustrations. It is the custom of the concern to keep the newspaper advertising of its dealers "in step" with its national advertising by furnishing the retailers with electros of the color illustrations running currently in the national magazines. The newspaper reproductions, however, left much to be desired. Woodcuts, in the belief of the House of Kuppenheimer, have solved the problem.

The original cuts are bona fide woodcuts, skillfully tooled by hand just as they were back in the days when woodcutting had a place among the fine arts. From the original woodcut, which generally costs a couple of hundred dollars, the electrotypes that are sent to the dealers are made.

"We've had excellent results with the woodcut reproductions," said H. M. McCarger, who has charge of the Kuppenheimer advertising. "Mechanically, the electros reproduce well in the newspapers, and artistically they produce an effect of distinction that most nearly approaches doing justice to the original painting."

SE

"Standard" Quality is High Quality

FROM finest bond to the least expensive wood stock, every "Standard" envelope is the best of its kind.

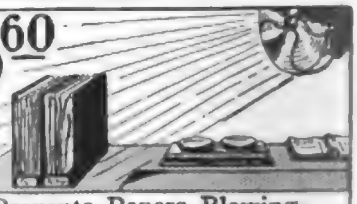
Expert workmanship, the most modern of mechanical equipment, and long experience in envelope manufacture guarantee your satisfaction in "Standard" envelopes.

There is only one standard of quality in "Standard" envelopes—and that is ***"Standard" quality.***

The STANDARD ENVELOPE *Manufacturing Company*

1013 Oregon Ave., Cleveland, O.

$3.60



Prevents Papers Blowing

Kleradesk

permits unhindered work in spite of fan or window breezes. Saves time by automatically sorting and routing mail, memos, orders, etc. It also holds papers for reference.

Get Yourself a Kleradesk

Order the $3.60, green, two-compartment, illustrated model for incoming and outgoing mail and memos. Being built of steel sections, you may later add compartments for invoices, file matter, department correspond-nce, etc.



Ross-Gould Company
274 N. 10th St., St. Louis.
New York, Philadelphia,
Chicago, Cleveland
Write for free, instructive folder, "How to Get Greater Desk Efficiency."



Minutes Mean Money
LOST TIME IS LOST MONEY
CHECK IT

Do You Know...what time that batch of orders, letters, contracts came in—or left the office—that the one sure way to accurately check up on all the little time-consuming operations of the day, in office and factory alike, is the

Kastens Time Stamp

Avoid disputes and errors. This is a time stamp built for long service and economy, smooth, quick and accurate in action. Catalog? Yes, an interesting one, too! Send for it now

HENRY KASTENS
422-424 W. 27th St.
New York City, N. Y.

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To Unlock the Inland Seas

(Continued from page 9)

movement by rail is as the ratio of eight to one.

At present rates a bushel of grain can be carried by water from Duluth to Buffalo and then shipped by rail overland to Boston for five cents less than it can be trundled all the way from Duluth to Boston by rail. If there were an all-water haul from Duluth to Boston—as there would be if the lakes were unlocked—and if the rates were maintained in their present proportions to each other, the saving of the rail-and-water route on a bushel of grain would be at least seven cents. Apply that saving of seven cents a bushel to millions of bushels of grain; apply it to meat products, to wool, to coal, to ores and to all the other materials that leave or enter the Middle West and you will understand why conservative engineers estimate that in three years the St. Lawrence improvement would pay for itself in savings in freight bills.

Then, too, there is the consideration of time. The demands upon our existing system of transportation are seasonal; they reach their peak in the fall, just after the opening of the crop-moving time. The railroads are then glutted with traffic. Even freight that is carried by lake boat as far east as Buffalo and is destined for the seaboard or for New England must be unloaded at Buffalo and transferred to freight cars—and there are no cars available. Delay ensues. Similarly, merchandise westward bound from the seaboard may be routed through Buffalo in order that it may travel a part of the way by water; but from Boston to Buffalo and again from Duluth westward it will be delayed in warehouses and age on sidings before it reaches its consignee.

Before the war the average speed of a loaded freight car was about twelve miles a day. Under stress of the war this was stretched to something like twenty miles a day; but since the war the average car speed has shown signs of recession. The economical speed of a freight ship at sea or on the Great Lakes is twelve miles, not a day, but an hour. Even a "little fellow," a little old wooden-hulled "hooker" on the lakes, can churn off her ten to twelve miles an hour day and night. Giving the railroads the benefit of the doubt and assuming that they still can drag a freight car twenty miles along its route every twenty-four hours, and cutting the speed of the boat to a conservative ten miles an hour, you get, on the score of speed, a ratio of twelve to one in favor of the boat. Speed and ease in transportation make for a more even distribution of commodities; and, since it levels the peaks of demand,

ROTOSPEED STENCIL DUPLICATOR



Speed Up Your Business 10 Days at Our Expense

Accept this offer. We will send you a Rotospeed Stencil Duplicator with enough ink, stencil paper and supplies for 24 different jobs. Use it as if you owned it. Test it in your office—on your own work.

Clean-cut Form Letters

With a Rotospeed you can turn out form letters with the clean-cut appearance of typewritten originals. You can increase sales, speed up collections, enthuse salesmen—you can issue bulletins and price lists at a moment's notice and at almost no expense, in your own office.

Easy to Operate

When you test the Rotospeed turn it over to your office boy or stenographer. It isn't necessary to have an experienced operator. There is no type to set, no complicated mechanism, and good results can be secured at once.

It Pays for Itself

In many cases the Rotospeed Stencil Duplicator saves its own cost in a day. It is quite probable that it will save you its entire cost during the ten days that you have it on trial. We want you to know how often you will use it, how much time and money it will save you, and how it will help in every department of your business.

Price $43.50 Complete

Only by selling direct to users, without salesmen, is this price possible. If after trial you are not perfectly satisfied that the Rotospeed is the best investment that you could make, ship it back and you will owe us nothing for the use of the machine or the supplies used.

Mail the Coupon Now

Either sign and mail the coupon below or attach it to your business letterhead. Tell us to ship you the Rotospeed on the free trial basis or let us send you samples of Rotospeed work and an interesting booklet, with full details of our free trial offer.

The Rotospeed Company
566 E. Third St., Dayton, Ohio

Mail It Now

The Rotospeed Co., 566 E. Third St., Dayton, Ohio
Please send me, without obligation, samples of Rotospeed work, booklet and full details of your free trial offer.

Name

Address

.....

Monthly Statements Out On The First

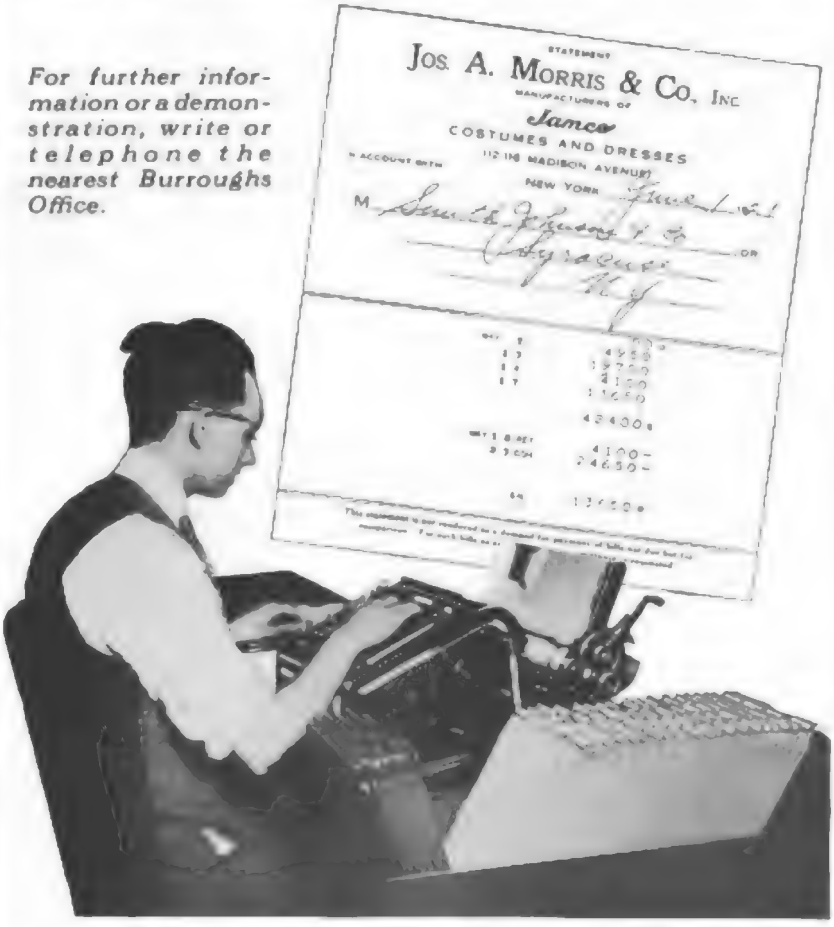
A REBUILT Burroughs Bookkeeping Machine Will Help Speed Up Your Collections

A REBUILT Burroughs Bookkeeping Machine offers you a most effective means of getting neat and absolutely accurate statements into the hands of your customers on the first day of the month. This machine, with its adding and subtracting mechanism, eliminates all mental figuring connected with the old methods of making statements.

In making statements the operator merely lists the charges and lets the machine add the items automatically. Then he simply touches a lever and lists the credits. The Burroughs automatically subtracts each credit from the amount in the machine. When the last credit is listed the machine extends the balance automatically.

These machines are standard Burroughs machines in every respect. Each machine has been overhauled and carries the same guarantee afforded a new machine. These rebuilt machines are offered at greatly reduced prices.

For further information or a demonstration, write or telephone the nearest Burroughs Office.



General Adding Machine Exchange

Division of BURROUGHS ADDING MACHINE COMPANY

327 Broadway - - - New York City

more even distribution makes for steadiness of price.

An all-water route from Duluth to the sea would relieve the periodic shortages of cars. Consider, for instance, the small grains. They come mostly from the Dakotas, Minnesota and Kansas. Every bushel of grain coming from any one of those four states and bound for the East, could ride by rail to a lake port and there take its choice of continuing eastward either by rail or by water. It would follow the line of least resistance; if cars were not handy, it could proceed by boat—and proceed more rapidly and more cheaply. Probably it would elect the water route and thus release one more car. Delegate that same prerogative of choice to the millions of other bushels of grain that would be traveling at the same time, and what general effect can you assume? In the East long strings of empty cars would not be held in sidings—held by the railroads for weeks before the harvest season in order that the empties might be available to be rushed westward when the grain separators on the prairies should begin their autumnal song.

Mindful of these facts, the leading thinkers among railroad executives are not opposed to the waterway plan. C. H. Markham, president of the Illinois Central Railroad, thus expresses his opinion: "Since transportation lies at the very foundation of commerce, what we ought to do is to use whatever instruments of transportation are most efficient and economical. If we have an interior waterway on which tonnage can be handled more cheaply than by rail, the two forms of transportation should be so correlated as to permit tonnage to move by the route that can handle it the more efficiently and economically."

Thus far in this discussion we have been concerned only with domestic commerce. But the Middle West is an exporter. It has a surplus of home-grown and home-made products, part of which it must market abroad.

To understand the peculiar position of the St. Lawrence route in the export situation, one must refer to a map of the world; and that map must be, not one of those flattened, panoramic affairs that we studied in our textbooks on geography, but a creation that Uncle Sam's hydrographic surveyors call a conformal conic projection. In a conformal conic projection there are some geographical surprises.

We see, for instance, that the St. Lawrence points, not at Greenland or Iceland as our old panoramic maps would lead us to believe, but almost straight at Ireland. It is this unexpected direction of the river, together with the surprising position of our own Atlantic coast line south of the river,

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that upsets some of our generally accepted beliefs about transatlantic distances.

First, and most noticeably, the city of Montreal, perched far inland up the fresh-water St. Lawrence, is nearer to Liverpool than is the Statue of Liberty in New York's salt-water harbor. Mileage measurements on our conformal conic projection of the North Atlantic produce more surprises. From Buffalo to Liverpool by way of the present-day land-and-water route across New York State to New York City by rail and thence by ship across the ocean is a distance of 4,014 miles. But from Buffalo to Liverpool by way of the all-water route down the St. Lawrence and across the Atlantic is a distance of only 3,558 miles. From Cleveland to Liverpool by way of rail to New York and thence by ship is a distance of 4,093 miles. But from Cleveland to Liverpool by the all-water route of Lakes Erie and Ontario and thence down the St. Lawrence and across the ocean is a distance of only 3,717 miles. From Chicago to Liverpool the saving of the all-water St. Lawrence route is 120 miles and from Duluth or Superior the saving is nearly 500 miles. Even in trade with Southern Europe, as far south as Gibraltar, a shipment from any of the major ports on the Great Lakes would save mileage by taking the all-water route. South of Gibralter and to all parts of the Mediterranean, Black Sea and Indian Ocean, the distances over the two routes is the same.

What products of the Middle West would go down to the sea in the ships that would steam through an unlocked St. Lawrence? A dozen and more of familiar commodities suggest themselves—grain, provisions, cheese, copper, hardwood, steel, farm implements, talking machines, automobiles, structural steel and steel rails, lighting plants and other electric supplies and appliances, office equipment, furniture, flour, meats, butter, wool, zinc, coal, clothing, shoes—the possibilities are limited only by the demands of the customers overseas; and nobody has yet explored the limits of those demands.

Would salt-water ships, if they could, come to the lakes for cargoes? Listen to Magnus Swanson, president of the Norwegian-American Line:

"Eighty per cent of the world's merchant fleet can come up the lakes when the St. Lawrence is open. Three-fourths of all the vessels passing through Panama or the Suez Canal could use the present lake channels. Much of our load is destined for lake territory. The first day this route is open you will see our vessels poking their noses into the lake ports."

The lakes have a merchant fleet of their own. It is a tremendous fleet.

Many Banks Use The Pearl Cutter



It has a spring back handle. The handle lifts itself and the knife back into position for safety.

The base is a waste receptacle for convenience and cleanliness.

They find economy in cutting the margins from monthly statements in quantity.

Several Hundred Sheets of Ledger Paper Clipped at One Stroke

It is a very handy appliance for offices of every kind—for a great variety of cutting uses.

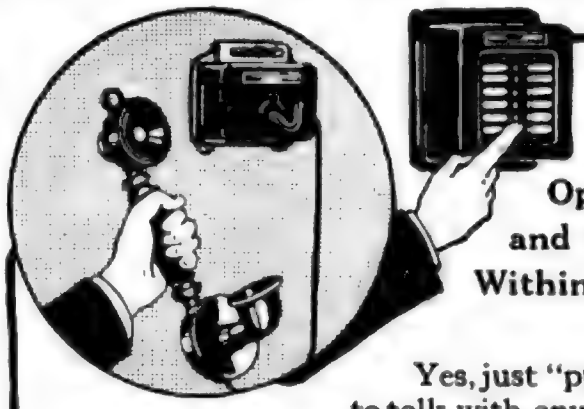
Saves Labor and Gets the Work Out on Time

The Pearl is strong, durable, easily operated, well made and nicely finished.

We make an extensive line of large Power and Hand Lever Cutters, Small Bench Shears, and Tablet Presses for office and factory use.

Write for further particulars and prices

Golding Manufacturing Co.
Franklin, Mass.



No Switchboard or Operator Required—and Every Department Within Arm's Reach

Yes, just "push one button once" to talk with any department or office in your plant. That's the convenience of the

STROMBERG-CARLSON
Inter-communicating Telephone

It saves time by eliminating delay and confusion—by saving unnecessary walking. Installation to suit your requirements—6 to 32 stations. Used by banks, stores, factories, mines, hotels, offices.

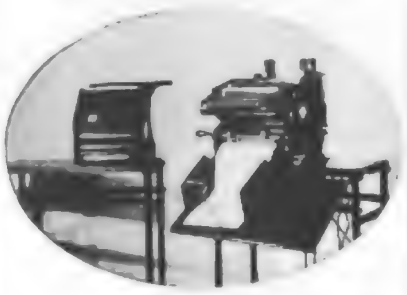
Let us tell you how you can install the Stromberg-Carlson Inter-communicating System at small cost. Write for our booklet "B" and receive full information.

STROMBERG-CARLSON TELEPHONE MFG. CO.
ROCHESTER, N. Y.

Chicago **Kansas City** **Toronto**

Multigraphs Like New

AT ONE-HALF COST



ALL models. Prices range from $130 up. Guaranteed to produce finest quality of work or money refunded in full. Guaranteed for two years, during which time we will replace free any part (except type) that wears or breaks. If machine is not satisfactory in every way will exchange without charge. Every machine has brand new complete type equipment, new platen, etc., insuring perfect work. Hundreds of satisfied users throughout the country. Operating instructions furnished. Machines shipped complete with all necessary supplies, ready to run. Send for price list 101.

Rebuilt Multigraph Exchange
Lincoln Building Philadelphia, Pa.

THE BABY TYPEWRITER STAND

$6.50 F.O.B. DETROIT

SAVES SPACE and TIME



A strong, well-built Stand, five-ply oak, veneered top, 17½" x14". Will last a lifetime. Easy to move about. Suitable for small office and home use. 26" high.

Write for our proposition

Auto Parts Mfg. Co.
1819 Trombly Ave.
Detroit, Mich.

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYTT LABORATORIES – Dept. "T"
565 W Washington Street, CHICAGO, ILL.

AT LAST!

BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads, 1000 Billheads and 1000 Statements — ONLY $13.75 for Lot

1000 Letrhds & 2000 Billhds $13.75
1000 Lrge & 2000 Ltrhds $13.75
5000 Large Letterheads $23.75
2000 Letrhds & 4000 Billhds $23.75

Customers from Maine to California.

Lithographed on good Bond Paper. *Write for Samples.*

KAY-DEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

But it is a fleet whose vessels have been built, until very recent years, for navigation of the lakes alone. The draft of its boats must be kept less than the critical depth of twenty-one feet at Detroit. Its "big fellows," stretched out to lengths beyond 500 feet to increase their carrying capacities and still keep their drafts below that critical limit and lightly built to reduce their drafts still further, will always be native to the inland waters. Their style of construction and their very size unfits them to wrestle with the long rolling billows of the oceans. They will continue to ply their present-day courses and carry their present-day cargoes; and always there will be cargoes for them to carry. But in our modern conception, in the conception of a world-wide trade from the future inland seaports on the Great Lakes, these "big fellows," magnificent as they are, are creatures of yesterday.

The war brought forth upon the lakes a new kind of craft. No "big fellow" was this new species of vessel. In form and feature she was, virtually, a hybrid. She was short in hull. Her length of 250 feet would just admit her to the locks of the Welland around Niagara. And she was high—high at the bow, high at the stern and still higher at her waist. Her shortness, in contrast with her height, robbed her of all beauty of proportion. She looked just plain "bunty." Queer in form, she was queer, also, in feature. The Great Lakes sailorman, accustomed to the clean-lined, easy-curving sweep of the deck of one of the "big fellows," must have been amazed and shocked when first he sighted this outlandish craft, with her silhouette in profile against the hazy horizon of a cloudy afternoon. Her smokestack, uncompromisingly upright, seemed to impale her; it was amidships, a place where no steamboat that had any regard for appearance would wear a smokestack. And all about that impossible stack was piled and cluttered, in one conglomerate heap, her superstructure—her pilot house, her captain's quarters, her crew's dining room, her coal bunkers and the sky-lighted top of her engine-room. "Cripes," the outraged fresh-water sailorman probably soliloquized, "she carries a lot o' house in her middle!"

She may have looked crazy, this hump-backed jade of a ship. But she was as sane as sanity and as safe as safety. She had been built for oceanic steaming, designed and braced and reinforced to buck those far-apart, salt-water billows that would break the back of one of those sleek-lined "big fellows." Her bow was high so that she might bury her nose at will into the green of the rollers and escape gulping up, at each dip, ten tons or so of the Atlantic. Her superstructure



No Man is Perfect to His Secretary

But your secretary will appreciate your consideration if you get her a *Ludington Copy Holder*. And her gratitude will express itself in the form of faster, more accurate work.

THE LUDINGTON COPY HOLDER

holds a typist's notes over the machine, directly in front of her eyes. With it, she can sit easily erect, and follow the lines without stopping and looking sidewise. It does away with discomfort, weariness, and eyestrain. A moving bar on the Ludington marks the place in the notes.

Six sizes Send for Booklet "B"

Beaton & Cadwell Mfg. Co.
NEW BRITAIN, CONN.

Fenton Labels and Seals STICK

YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

Let us supply you with Fenton Labels and Seals. Write us for prices and catalog.

FENTON LABEL CO., INC.
506-512 Race Street
PHILADELPHIA, PA.

was bunched out of harm's way amidships, so that, if she should chance—in an unguarded moment—to plunge too deeply to meet one of those oncoming mountains of water, the mountain would not roll over the top of her and take with it her pilot house, captain's quarters and captain.

She may not have been pretty. She had no claim to beauty. But she could take on a load of three or four or five thousand tons of coal at Cleveland, heap her ugly bunker with fuel for herself, say good-bye in Norwegian to the Lake Shore bridge-tender as she eased through the draw, swing eastward as she cleared the outer breakwater, and steam thence, without a stop, to Norway. She could do that; and she—dozens of her—did it.

Scores of these queer-looking craft were built on the Great Lakes during the war. Many of them were built for foreign governments and foreign owners, notably Norwegians. Hundreds of them were built elsewhere, at yards along the seaboard, for our own Emergency Fleet Corporation. Many of them are in service today, plying the waters of the globe; but many of them, complete and still moored in the slips where they were launched, never have been in commission. All of them are bottoms, seaworthy bottoms that ran steam to any port in the world; and all of them are looking for just such cargoes as the Middle West could give them. They are small, are the hybrids; the lakes-to-the-sea ships of the future will be much larger. But for now, if the lakes were fully open, the hybrids would do very well.

There are ships, in plenty.

To the needs of an oceanic commerce that would work wonders toward a solution of our transportation problem the existing channels in the lakes above Niagara are entirely adequate. Twenty-one feet of water, the critical depth of the lakes, will float thousands of vessels that today are sailing the oceans. The harbors, too, for the most part are adequate. The bigger ports already are excellently equipped with machinery for handling bulk cargoes. For future development of the upper-lake channels and harbors it would seem reasonable and wise to provide for progressive deepening to thirty feet to accommodate the deeper draft ocean ships, and with reference to the ports to locate their docks and cargo-handling facilities so as to shorten their distances from the open lakes. The state of Illinois is to spend $30,000,000 in improving the Chicago Drainage Canal and the Illinois River to connect the Mississippi with the lakes by a waterway of respectable size through which big barges may reach Chicago, and at Chicago provisions must be made to transfer the cargoes of these



Lower Delivery Expense *with* Dayton Airless Tires

IF you use Dayton Airless Tires on your light trucks and delivery cars your tire expense per mile will be lower and all of the delays due to tire trouble will be eliminated. Wherever Dayton Airless Tires are used in delivery service they have not only reduced the cost per mile, but in many cases have made it possible to reduce the number of cars used.

Made for Ford Sizes Only

Dayton Airless Tires are made only in 30 x 3 and 30 x 3½ inch sizes. They combine all of the advantages of solid and pneumatic tires and eliminate the disadvantages of both.

No Punctures—No Blowouts

Dayton Airless Tires give continuous service. They can't puncture nor blow out, because they contain no inner tube. Piers of new, live rubber set about an inch apart and vulcanized with the casing take the place of a tube. There is nothing about a Dayton Airless Tire to cause trouble or delay. They are not ordinary "cushion" tires.

New improvements in Dayton Airless Tires have made them three times as resilient and have enabled us to back them up with an unlimited guarantee.

Thousands in Service

Thousands of Ford trucks and delivery cars are equipped with Dayton Airless Tires. We have records of delivery and passenger cars that have been operated continually from two to five years without a dollar of expense, or a moment's delay. Such tires will improve the service of any delivery department and they will accomplish this result at less expense.

Write for Information

We will be glad to send you complete information on Dayton Airless Tires showing how you can save delivery expense. Write today for facts and figures relative to Dayton Airless equipment.

The Dayton Airless Tire Co.
Dept. 307 - DAYTON, OHIO

MAIL THIS NOW

THE DAYTON AIRLESS TIRE CO.,
Dept. 307, Dayton, Ohio

Please send, without obligation, full information on Dayton Airless Tires for truck and delivery car service.

Firm Name.....
Street Address.....
City.....State.....

ADVERTISING SECTION



This Old Beggar

OLD MAN SIDE READING



Steals from your business letters by stealing from the girl who writes 'em.

He corkscrews her head around a few thousand times a day. He gives her shoulders a hunch forward and her spine a spiral twist. He jumps her eyes from notes out of focus to the typewriter carriage. He genuinely tires the stenographer and you know how it is when you're tired. Those irritating and expensive errors creep in and you just can't seem to accomplish much.

Now, admit it—an operator's fatigue reduces the number and quality of your letters. You're the loser unless you install

The LINE-A-TIME

SINGLE FOCUS WAY OF TRANSCRIBING by which the notes are automatically moved up as required into the correct reading area.

A big eastern corporation declares a saving of $50.00 a girl in money per year over and above the cost of the Line-a-Time machine.

Have we your permission to explain how this saving can be made for you?

The Line-a-Time Mfg. Company, Inc.
908 St. Paul St., Rochester, N. Y.



FIGURE SHORT WAY

Save half the time and energy. Hundreds of Bankers, Accountants, Bookkeepers purchased Wm. O. Bell's Practical Short Methods of Rapid Calculation on money-back guarantee—not one returned. Buy the book and become expert with figures. Send $3.00—return book within 7 days, if not satisfied—every cent you paid will be returned to you. Address

BELL PUBLISHING COMPANY
3917 Bellview Ave. Kansas City, Mo.

EASIDAY RULED WORK SHEETS FOR ACCOUNTANTS

New idea. Uniform in size. Bind like a book or file in ring binder. Ready instantly. Rulings for all needs, in new colors that are "kind to the eye." Evolved by a C. P. A. of 17 years' experience. Packet of full sized samples and list of special forms free. Samples Free

BAKER-GOODYEAR COMPANY
42B Church St. - New Haven, Conn.

Fighting Bookkeepers

1921 is rewarding fighters in every line—fighters who are trained and *ready* for the commercial struggle beginning now.

Business needs Accountants who are qualified to fight shoulder to shoulder with big men who win and who richly reward their aides. You can qualify in your spare time at an insignificant cost.

RIGHT NOW we offer you our complete course in Higher Accountancy at a *Special Summer Price.*

Mail Coupon for FREE Book, "The Path to Progress and Promotion"

Washington Institute
2549 Michigan Blvd.
CHICAGO

Gentlemen:
Please send your free book, "The Path to Progress and Promotion."
Name
Address
City State

barges to the ocean-bound boats of the lakes. But all this is for the future.

Our immediate concern is that by opening our inland seas to the ocean, by unlocking the St. Lawrence, we may make our transportation system much more nearly adequate to the known needs of the present and the anticipated needs of the future, that by this same expedient we may cut down our costs of moving goods from the producer to the consumer, that we may give the Middle West its outlet to the sea, and finally that by all these cumulative effects we may strengthen the position of America in the commercial world.

Said Herbert Hoover, in his initial statement as secretary of commerce:

"In the long run, we may as well realize that we must face a lower standard of living in Europe many years ahead. The production costs of her people, in consequence, will be lower than even before the war.

"If we meet this competition and still maintain our high standards of living, we shall have to work harder; we shall have to eliminate waste; we shall need to improve still further our processes, our labor relationship and business methods.

"If we so improve our national efficiency and our foreign trade, we must consider our transportation, both railway, water and marine, as one system, directed to serve the nation as a whole.

"The development of certain trade routes through our mercantile marine as the real extension of our inland transportation; the improvement of great waterways; the opening of the Great Lakes to ocean-going vessels; the development of great electrification for our power necessities; and the handling of our labor readjustment by moderate men on both sides—these are all problems that have a fundamental bearing on the recovery in commerce and on our ability to compete."

The Silver Lining

The following is from a circular sent to the retail shoe trade by the Locke Shoe Company, of Wheeling, West Virginia:

In 1880 there were 100,000,000 feet in the United States, and this year 210,000,000. Ten years from now there will be about 275,000,000, and each pair of feet will need a pair of shoes, then as now, several times a year. Does any fellow with brains enough to fill a thimble think the shoe trade is going out of business? This is how a chap, poetically inclined, feels about it:

You may go without butter,
And buttons and booze;
But until you wear halos
You'll have to wear shoes.

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A Hoyle of Office Practice

(Continued from page 17)

writing the manual. It seemed reasonable enough to ask him what he planned to do with them.

"The charts and the manual," he said, "have been departmentalized. Each department head and each division head will get the sections that refer to him and his group. In addition, there will be the master set of charts and the master manual in which all are assembled.

"You wonder, I suppose, what the department and division heads will do with their charts and their sections of the manual. That question, I think, goes into the principles of the application of a chart. In the first place, no man should need a chart or a manual to guide him in the routine handling of his everyday work; nor should either of them hamper him in the exercise of his judgment. A man who can't use his head to work out his own solution of his problems has no business being an executive. The charts and the manual will guide him in matters that are out of the routine.

"When an irregularity comes to him, they will tell him, in the first place, whether it is something that he ought to bother with at all. Many a man's time is wasted while he puzzles to dispose of something upon which he hasn't the authority to decide. In the second place, the chart and the manual will tell him what effect his decision—if he has the authority to decide—will have.

"Take, for instance, some question of method. A department head finds within his department a certain operation that, to him, seems all wrong. A clerk is doing to a stack of work tickets a certain thing that seems to be a total waste of time. The department head might say, 'Here, there's no sense in doing that; it doesn't mean anything to us; we'll cut it out.' But before he makes his decision he consults his charts. The chart of relations between his department and others shows that that operation dovetails into the work of two other departments. If he should cut out that particular operation he might save time for one clerk in his own department, but he would snarl up the work of six or seven other clerks outside his bailiwick. Possibly the operation actually can be eliminated and the work shortened, but the situation is one that calls not for snap judgment, but for a conference with other executives and a careful study of the consequences.

"It is not to be expected that every time a question comes up the person who is to decide it is to rush to his charts and his manual and there find the answer. In this concern we want initiative and the free exercise of

When you

Write Checks

be sure they are

safe!

Every safeguard is thrown about your money in the banks. Your banker guards your interests ceaselessly by employing the wisest forms of protection available.

Help him to absolutely protect your checks against alterations and changes that might cause you heavy losses.

Make out your pay rolls on Super-Safety Insured bank checks and eliminate the payroll robber, as well as the fraudulent check manipulator. Each one of these checks is guarded by a bond insuring you and your bank against loss.



LOOK FOR
"THE MARK OF SAFETY"
Protected by individual bonds of
The American Guaranty Company.
These checks are the safest you can use.

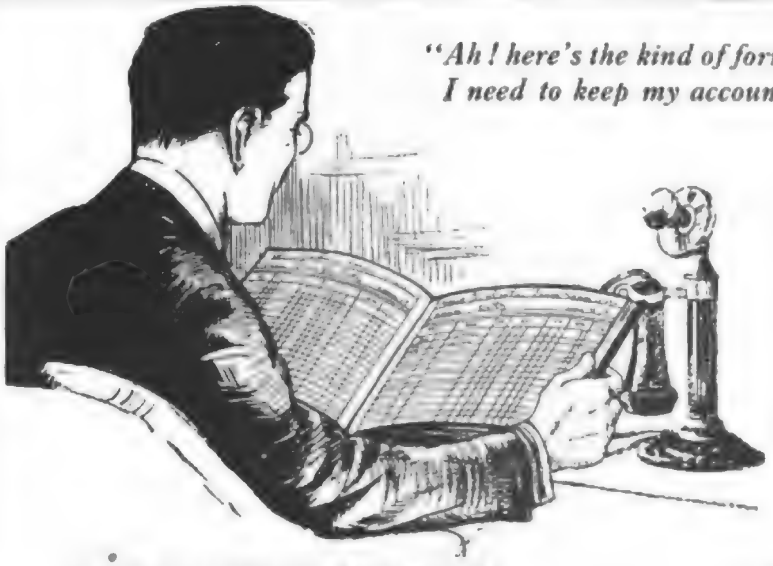
SUPER-SAFETY
Insured
BANK-CHECKS

The Bankers Supply Company

The Largest Manufacturers of Bank Checks in the World

NEW YORK CHICAGO DENVER
ATLANTA DES MOINES SAN FRANCISCO

ADVERTISING SECTION



"Ah! here's the kind of forms I need to keep my accounts"

MOORE'S MODERN METHODS

Shows simple and scientific methods of keeping all kinds of business records in loose-leaf books.

Send for Our 144-Page FREE Book

It's FREE for the asking, and is full of helpful information on record-keeping for office, factory and store. *Write today.*

JOHN C. MOORE CORPORATION

Manufacturers of Loose-Leaf and Bound Record-Keeping Devices

1186 Stone Street ROCHESTER, N. Y.



THIS BOOK FREE



Byron Typewriter Cabinet

THIS cabinet is saving its cost many times over in thousands of offices, both large and small, throughout the United States. It will do the same for you. The Byron Typewriter Cabinet insures that dictation will be finished on time. It means more and better work.

Promotes Efficiency

Everything in handy receptacles—at the finger tips. Rush work is ready without delay—no unnecessary waits to annoy the executive—and the stenographer no longer feels exhausted at the end of the day.

Model 100A

67x28 1-2 inches when open 20 inches wide, closed. Opens and closes quickly and easily. Takes little floor space.

WRITE FOR INFORMATION AND DESCRIPTIONS OF OTHER BYRON MODELS

Byron Typewriter Cabinet Co.

1348 32nd Street LOUISVILLE, KY.

SPECIAL SALESMEN WANTED



Your Office Should Have This Typewriter Desk

It Saves Office Space

Made of one-inch Tubular construction, black enameled, nickel plated feet. Can be adjusted to an uneven floor. Five-ply veneered oak top. Will not warp. Drawer underneath. Strongly built. Will last a lifetime. Paper container has five compartments. Is more accessible than the regular drawer. Operator can reach and pick out what she wants. It is so close that one need not bend the body. Saves from 25% to 50% in office space, which is money.

Write for prices and illustrated folder.

AUTO PARTS MANUFACTURING COMPANY

Makers of Special Tubular Products

1815 Trombly Ave. Detroit, Mich.

PATENT APPLIED FOR

judgment. Those things make a business go ahead; they make profits. Neither is it expected that the charts and the manual will set the tasks of department and division heads and subordinates. We don't want set tasks for our people. These folks here in the office, for instance, have temperament. If they didn't have temperament they'd be out in the plant running machines. In my opinion you can't set a stop-watch on temperament and get results. The charts and the manual are to be the steering mechanism, not the motive power.

"True, the manual does contain definitions of duties. Every job in the offices is defined and its several duties and requirements are listed. But that, too, is for guidance. I doubt whether there is a single person in the organization, even an executive, who could sit down and tell you offhand all the things that he does. Every one performs duties that to him have become matters of routine. He does them, at the time they should be done; but he never has thought of classifying and listing them. He's here every day; and when he's to be away he arranges for the doing of those things in his absence. Why should he write them down?

"But there are circumstances that can remove a man from his desk unexpectedly. He can be hurt in an accident while driving his car to the office. He, or a member of his family, can be taken suddenly ill. He can die suddenly. All these things can happen and do happen in every business office. They have happened in this office. When such a thing happens, what is the result? Very often it takes days, and sometimes it takes weeks, to get certain matters straightened out. The absent executive, say, has been the one to compile a certain weekly, or monthly, or semi-annual report. In his absence no one thinks of that detail until the time comes when that certain piece of work should have been done. Then somebody has to dig around among the other fellow's papers and scramble like the dickens to get the thing out.

"One purpose of the charts and the manual is to further the standardization of methods. The standardization of methods means the standardization of details—such details as the notations that are made on orders, work tickets and other papers as they pass through.

"Standardized notations catch a good many mistakes. For instance, a ticket for some stock slips past the stock man and escapes posting to the stock ledger. But the next man through whose hands that ticket passes catches the omission. He needn't be in the same part of the building with the stock ledger clerk to know that that particular lot of stock

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wasn't posted. The ticket tells the story. If the stock had been posted the ticket would have shown a certain notation, put there by the ledger clerk. In the absence of that notation the next man knows that somebody has slipped. It's a part of the next man's job to see to it that the slip is corrected.

"As a matter of fact, however, not only the next man in the route of that ticket, but any other person in the organization, executive or subordinate, into whose hands that ticket might find its way, would know that somebody had slipped. A billing clerk would know it, and so would the general manager.

"With any system, slips will occur. A good system will minimize mistakes and provide the means for catching them before they become serious. But unless there is a standardization of methods, unless everybody knows the routes of routine matters through the offices and knows the meanings of all notations on all papers that pass through, the slips will get by.

"Even with a good system in operation, it's often a slip that shows that the system really is operating. A rush order comes through involving a couple hundred windows, size twenty-by-twenty-four inches. We haven't that number of windows of that size in stock. Twenty-by-twenty-sixes are substituted. The order starts through in a hurry. But somewhere, somebody holds it up.

"'How about this?' he asks; 'this order calls for twenty-by-twenty-four windows and we're getting ready to ship twenty-by-twenty-sixes.'

"He sees about it. That's a part of everyone's job—seeing about such things as that. He knows the route of that order. No matter how far it has progressed, he traces it back to the point where that substitution was made. He finds, perhaps, that the customer has consented, by telegraph, to the change. Then, and not until then, does he permit the order to proceed. No slip has been made, except that somebody slipped in not noting the authorization of the substitution on the order; but the system has been operating just the same.

"It all simmers down to this: What is the purpose of a business enterprise? We're accustomed to say that it is to give service to its customers—although of late that word 'service' has been terribly overworked. In some concerns there is a separate department for service. Our conception of service, in this company, is that it is something that cannot be separated or segregated. Our service department, really, is the whole institution, revolving around the order department.

"Our idea of service is to deliver the right kind of goods in the shortest



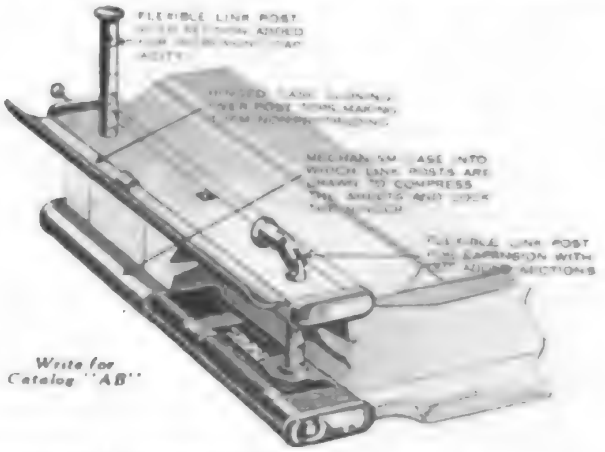
For a Billion Dollar Corporation or a One-Man Office

Non-protruding link posts.
Flexible capacity from one sheet to any number desired.
Positive locking feature.
Used all over the world.

—The Faultless Flexi-Post Ledger

Sold by leading Stationers.

"The Binder That Grows With the Business"



STATIONERS LOOSE LEAF CO., MILWAUKEE, CHICAGO, NEW YORK

Sales Fields Need Close Watching

and INTENSIVE working

Those firms doing intensive sales work are selling goods—and lots of them—regardless of conditions.



Multiplex Floor Fixture No. 11

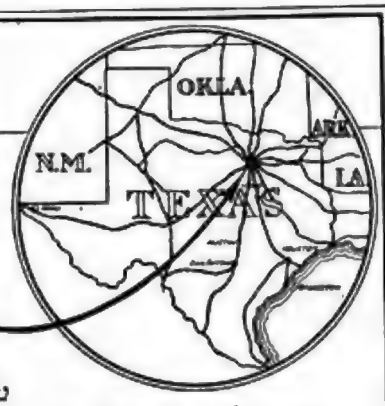
Are your salesmen covering their territories intensively, economically and judiciously? Are you watching distribution and representation closely?

It is to your advantage to keep your Maps, Route Lists and Sales Charts constantly before you in this most convenient ready-reference manner.

If interested—WRITE FOR CATALOG NO. 10

MULTIPLEX FIXTURES 920 TENTH ST. ST. LOUIS

MULTIPLEX Efficient Display FIXTURES



Fort Worth

Railroad, Livestock, Grain and Oil center of the Southwest.

We know this territory—its resources and opportunities.

Our service covers the Southwest thoroughly.

Correspondence invited

Resources, - - $20,000,000.00

Established 1873

The FORT WORTH NATIONAL BANK

FORT WORTH. TEXAS.

possible time; and that idea takes you through the whole works, from the front door to the shipping platform. Giving service means getting the order out right and getting it out quickly. Everything that we do is dedicated to that purpose. To fulfill our main purpose, then, the whole organization must operate rapidly and smoothly. Speed and accuracy—those are the reasons for these charts and this manual."

Standard Words in Copy

At the suggestion of the Better Business Bureau of the Cleveland Advertising Club, Cleveland retail merchants have standardized certain words and terms frequently employed in retail advertising by agreeing to attach the same meaning to such words and terms and to employ them in the same way.

The standardized terms are such as "Value," "Up to," and "Originally." "Value" and "Worth" are defined as the reasonable retail market price the article would bring at the time of the advertisement, and are to be determined by what the same article or similar article is selling for in other stores at the time of the advertisement.

Where "Up to," accompanied by a former maximum selling price, is used, it shall be accompanied also by the former minimum selling price of the merchandise included in the sale. Instead of saying, for instance, "Dresses up to $50, for sale at $31.50," the ad should read, "Dresses formerly selling from $40 to $50, for sale at $31.50." At least 10 per cent of the merchandise advertised must have sold formerly for as high or higher than the maximum price quoted.

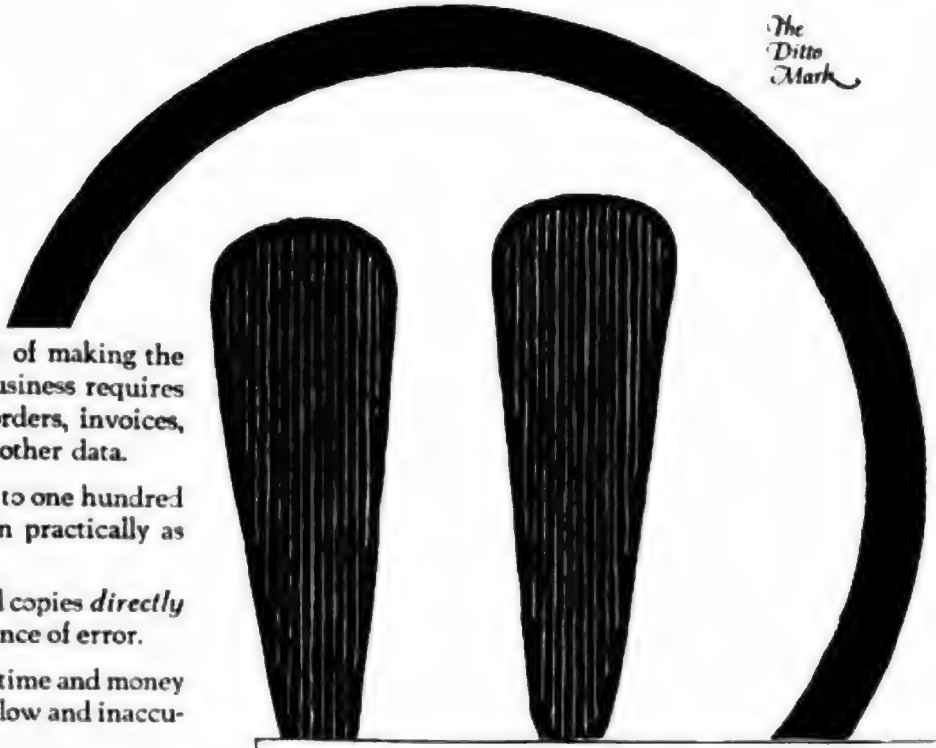
"Originally" and "Formerly" will mean the first price at which the goods were marked in the advertiser's store during the season from January to July 1, 1921. (Presumably this time will change in accordance with the season.)

"Regularly" will mean the price prevailing before the sale in the advertiser's store on the specific merchandise mentioned, and the price on the same merchandise that will prevail after the sale.

Unqualified statements such as "Biggest Bargains Ever Shown in Cleveland," may not be used. Advertisers are urged to keep in mind that they are advertising their own goods, and to confine their statements to expressions pertaining to sales offerings of their own establishments.

The general adoption of this plan, it is believed, will do much to prevent misrepresentation and misunderstandings.

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Ditto is the modern method of making the numerous copies that every business requires for the efficient handling of orders, invoices, bulletins, requisitions and all other data.

Ditto is swift—it delivers up to one hundred clean, legible facsimiles within practically as many seconds.

Ditto is accurate—it makes all copies *directly from the original* without chance of error.

Ditto is economical—it saves time and money by supplanting old-fashioned, slow and inaccurate copying methods.

Ditto is versatile—it easily adapts itself to the existing requirements of practically any business and points the way to simple, improved systems.

Ditto copies all or any part of the original, which is prepared in the regular way with Ditto ink, pencil or typewriter ribbon. There is no type to set, no stencil to cut, no carbon paper to pack, and no rewriting necessary.

Ditto reproduces this typed, written or drawn original upon any sheet, form, slip, label or tag up to 18 by 34 inches in size. You can reproduce on cardboard or paper, at will.

Ditto is effecting great savings for progressive organizations throughout the world. What Ditto does and how it does it is a valuable, interesting story from which you may gain.

Ask the Ditto Man in your vicinity; or write for the Ditto Book.

DUPLICATOR MANUFACTURING CO.
DITTO BUILDING · CHICAGO, ILLINOIS

Ditto

THE QUICKEST WAY TO DUPLICATE

WHAT DITTO DOES *for* MECHANICAL BOOKKEEPING

No. 1—*"Cash Receipts"*

Ditto swiftly provides convenient, accurate unit posting media—those posting slips so essential to proper efficiency in any phase of mechanical bookkeeping.

For instance: in handling daily cash receipts by the Ditto method, all checks or remittances are first sorted alphabetically and then checked against the ledgers, after which they are written up in the usual manner on the loose-leaf cash book sheet. The typist simply uses a Ditto typewriter ribbon in place of the regular ribbon.

This loose-leaf "master" sheet is next transferred to the copying surface of Ditto. Unit posting slips are then speedily reproduced, every individual line entry being exactly duplicated on a separate slip. All possibility of error is thereby eliminated and no rewriting or rechecking is necessary. All slips are completed simultaneously, in a few seconds, and can be distributed and posted by one or several persons. Balances are quickly obtained.

Early bank deposits are made possible; the deposit slip, if desired, being obtained directly from the cash book sheet.

Also, any required number of exact duplicates of the cash book sheet can be supplied, in the one operation, for any executives or departments concerned. Special notations may be made on any or every entry for any particular individual.

The handling of cash disbursements, stock records, journal entries, labor control and other work is equally simple.

Ask the Ditto Man; or ask the representative of any efficient mechanical bookkeeping system, or send for full information.



Trade Mark Registered
U. S. Patent Office

Discovery Sample

Did Your Stenographer Surprise You— or Did You Surprise Your Stenographer?



HUNDREDS of stenographers surprised their employers, within two weeks after the appearance of our advertisement in last month's *Business*, by showing them "carbon copies that look like originals"—made with **Panama Bronze Carbon Paper.**

If there is not a Panama dealer in your city, send direct to us for samples of Panama Bronze Carbon Papers, with your dealer's name.

MANIFOLD SUPPLIES CO., *Manufacturers*

BROOKLYN, N. Y. (Station L4), U. S. A.

FOR NEAT CORRESPONDENCE —*LONG-WEARING* PANAMA RIBBONS

Lithographing

makes a better impression



THAT part of your organization which comes in contact with your customers must be representative, whether it be man, building or stationery.

A neat, dignified lithographed letterhead is a most effective advertisement.

The checks you give your customers remind them of you. Be sure that they represent the character and responsibility of your bank.

Like all Mann products, Mann's lithographed letter-heads, checks, statements, etc., are of the highest quality.

Specimens will be gladly sent on request.

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving—Office Stationery and Supplies

WILLIAM MANN COMPANY

PHILADELPHIA

FOUNDED IN 1848

New York Offices: 261 Broadway

THE CENTRAL NATIONAL BANK of Philadelphia uses lithographed letter-heads and lithographed checks executed by us. This bank has used Mann products continuously for fifty-five years.

Down Comes the Overhead

(Continued from page 22)

sixty days to net thirty days. This has resulted very satisfactorily. It means just about a fifty per cent saving in our average current accounts outstanding."

"Charging interest on all accounts which run longer than the fifteenth of the month following date of purchase. This has reduced monthly balances on our accounts twenty-five per cent."

"Closer attention and sharper action taken with credit business. Cash business being promoted by quoting liberal discounts and boosting 'cash and carry' method through circulars and salesmen."

The last question asked by the Chamber of Commerce related to "other costs." These costs, the responses indicated, represent 21.5 per cent of the cost of doing business. The savings reported, resulting principally from closer buying and quicker turnovers, averaged 7.12 per cent. The savings in "other costs" give promise of increasing measurably from month to month.

The following is typical of many of the responses:

"Another way to save is to increase the turnover and reduce the investment in merchandise, thereby reducing interest, insurance and taxes."

One correspondent went into detail:

"Expenses being reduced by unification of files and mail; unified reading of mail, eliminating duplications; elimination of individual stenographers and establishment of unit; use of inter-office memo, eliminating typed memo; close supervision over office supplies, stationery, laundry, electric lights, etc.; insisting upon punctuality; survey made of all office supplies to avoid unnecessary purchases."

Other concerns are reducing miscellaneous expenses by:

"Doing all our housekeeping work in the daytime, and accomplishing this with a smaller force, to the extent of eighty per cent saving in cleaners and porters employed."

"Cutting down all improvements until we can pay for them with profits."

"Exercising more care than for three or four years in saving packing cases, paper, twines, etc."

"Having material arrive so there will be no demurrage; no overtime in unloading."

"Figuring out ahead what funds we will have available and planning expenses accordingly."

Many correspondents report that they are carefully curtailing traveling expenses of men on the road and by letting them work territories more closely, thereby eliminating the expense

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of long trips. Others are "cutting out entertainment, scrutinizing such items as telegrams, long-distance messages and postage; reducing litigation; creating short-cut methods wherever possible."

The questionaire asked, in conclusion, for suggestions as to directions in which the Department of Domestic Distribution can assist "in solving the pressing need of lowering the cost of merchandising to a normal basis."

Suggestions poured in; following are a few of them:

"Get them to practice in Washington some of the economies we are obliged to practice so that taxes can be reduced."

"Bring down transportation rates so that goods can be shipped at something less than prohibitive costs."

"Cut down passenger fares and hotel rates for salesmen."

The significant thing about the responses as a whole is not merely that the cost of doing business is being reduced, but that the saving has been effected so far as possible without too greatly reducing American standards of wages and service.

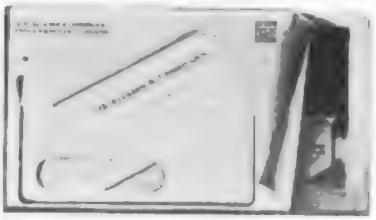
The Hardware Man's Overhead

Figures compiled by the Bureau of Business Research of Harvard University indicate that in the majority of retail hardware stores the overhead appears to be about 21 per cent of sales. The lowest figure reported was 11.42 per cent, and the highest 36.3 per cent. The average selling expense is 7 per cent and the average for buying and management is 4.4 per cent.

The following figures express the ratios between expenses and sales:

	Lowest	Highest	Common
Wages of sales force	2.57%	15.8%	6.2%
Other selling expenses	0.03	4.12	0.7
Total selling expense	3.02	15.8	7.0
Delivery expense		3.22	0.7
Buying, management and office salaries	0.66	9.64	4.0
Office supplies, postage and other management expense	0.08	1.87	0.3
Total buying and management expense	1.15	10.6	4.4
Rent	0.38	6.09	1.7
Heat, light and power	0.06	1.35	0.4
Taxes (except on buildings, income and profits)	0.01	1.14	0.5
Insurance (except on buildings)	0.08	1.02	0.4
Repairs of store equipment	0.01	1.11	0.1
Depreciation of store equipment	0.02	1.6	0.3
Total interest	0.95	8.95	3.3
Total fixed charges and upkeep expense	3.07	12.68	7.0
Miscellaneous expense	0.01	3.86	0.9
Losses from bad debts		6.8	0.5
Total expense	11.42	36.3	21.0

In comparison with these figures, the Bureau of Business Research points out, the overhead in retail drug stores averages 27.6 per cent, and in grocery stores 14.6 per cent.



The Duplex Way is the BEST Way

Send your letter and catalog together IN ONE ENVELOPE.

The Object of Catalogs is to Sell Goods

Live, up-to-date concerns in all lines of business use the DUPLEX ENVELOPE.

Your Letter Goes With the Catalog Each under its own Postage Rate. The customer does not have to wait for the catalog to come under separate cover. Your sales letter and the catalog go directly to the man you want to reach. You strike while the iron is hot and force him from interest to action.

The Result is a Big Increase in Orders

Made in all sizes. Send for samples and price today.

THE DUPLEX ENVELOPE COMPANY 26 No. Michigan Ave. CHICAGO, ILL.

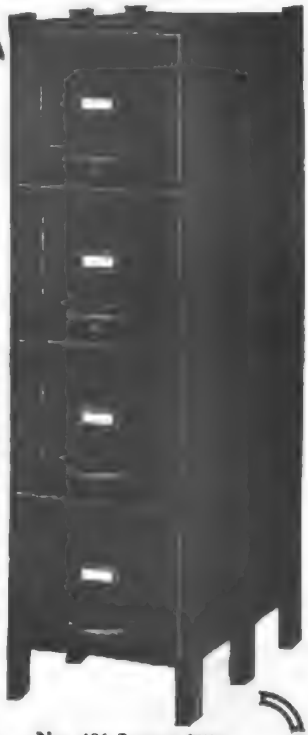
"That's What I Want"

A Low Priced Letter File

That

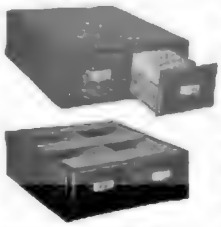
Does All Any High Priced File Can Do

Made of best grade, kiln dried, solid oak—every one of its thirty joints are interlocked, glued and screwed making it long-lived and non-rackable. Drawers are full height—an aid in excluding dust—operate on indestructible fibre rollers and have auto-locating follow blocks to keep contents in vertical position. Most any office supply dealer can demonstrate this cabinet. Furnished in Golden, Natural or Weathered Oak. Special oak finishes or Mahogany finish at ten per cent more than regular oak prices. Made two, three, four and five drawers high, letter, cap and invoice widths. Assorted drawers provide arrangements in one cabinet that will meet most any filing need. Ask for catalog.



No. 421 Letter File

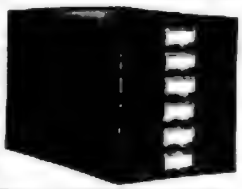
Weis Sectional Card Index Cabinets



are made for 3x5, 4x6, 5x8, 6x9 and 8x6 size cards. Purchase a two-drawer top section first, then when additional filing space is required bottom sections can be added. Furnished in Golden or Natural Plain and Quartered Oak and Birch Mahogany. Twelve inch Leg Bases made for all sizes. See catalog for several illustrations of practical combinations.

Legal Blank Cabinet

Made in Golden or Natural Plain Oak or Mahogany finishes. Drawers are Legal Cap paper size. Full length drawer partitions allow cabinet to be used with or without drawers.



A Swinging Desk Stand Attached to Your Desk

provides additional working space. Swings typewriter, adding machine, reference book, etc., within easy reach. A real necessity for holding stenographer's note book while taking dictation. The wood tops are 14x18 inches; furnished in Golden, Natural or Weathered Oak or Mahogany finishes. Metal frames in Black Enamel, Oxidized Copper or Nickel Plated. Your dealer has one in stock or will order it for you.



Weis Stationery Cabinets



placed on or near stenographer's desks, provides storage space for current supply of stationery, keeping it neat and clean away from dust and flies. No. 140 has drop lid. No. 150 open vertical front. Ask any stationer.

Filing Suggestions Is the name of a booklet that will interest you if you have a filing problem. Sent free with our catalog and nearest dealer's name.

The Weis Manufacturing Co.
85 Union Street, Monroe, Mich.
New York—52 Park Place

Know Filing Satisfaction

6 Reel Feature with a Happy Ending



OVERCROWDED FILES



LOST LETTERS—ANGRY BOSS

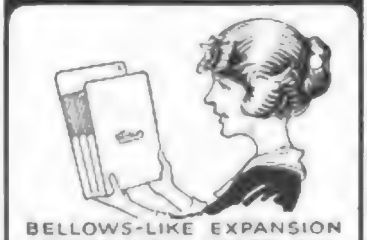
Vertex

VERTICAL-EXPANDING

File Pockets are needed



INDEX TABS ALWAYS IN VIEW



BELLOWS-LIKE EXPANSION CARES FOR OVERFLOW

Free Pass to Filing Satisfaction

Send This Coupon for FREE SAMPLE

ALVAH BUSHNELL CO., DEPT. B
925 FILBERT ST., PHILA., PA.

Better Light, Better Business

(Continued from page 15)

loss would be 23 per cent. As time went on the losses, of course, would increase. The shop owner, however, would be paying for the light he didn't get, for lamps would go right on consuming their full input of current.

The reflector, too, catches dirt. If it be a steel direct reflector of course there is small chance for accumulations; but if it be an inverted unit the dirt may easily absorb 20 per cent of the light after four weeks in an average factory installation, or 50 per cent at the end of twenty weeks.

Wiping out a unit usually does about two-thirds as much good as washing it, but it is well to wipe frequently and wash every third time. The intervals vary according to the industry, but in the least cleanly of manufacturing processes lamps and fixtures should be wiped every three days or washed every five. In the cleaner places these intervals should not be longer than thirty to forty days.

The cost of cleaning varies with the type of equipment, but wiping lamps and reflectors with a dry cloth averages 5 cents and washing 10 cents. In one particularly clean-aired factory fixtures were wiped every six weeks and washed every twelve weeks. The cost of both cleanings for those twelve weeks was 15 cents, while the cost of the electrical energy saved in the form of light during that same period was 39 cents.

Color of walls and ceilings is important, for some colors reflect more light than others. It is well known that white or cream tints reflect best and generally are to be preferred if they are not glossed to produce glare. But whatever their color, they, too, must be cleaned if lamps near them are to give their fullest service. Dirt and dust on walls rob many a shop of light that is paid for but never delivered where it can do any good.

Today approximately 18 per cent of American industries are doing 8 per cent of their manufacturing under artificial light and 6 per cent produce

Send for sample cost tickets and complete data

Do You Know Your Costs?

Cost figures reveal where money may be saved, and gains be made

The AUTOMATIC TIME STAMP

makes an accurate cost system possible. Shows exact time on jobs; helps you to stop waste and inefficiency. Invaluable for timing shipments, receipts, letters, telegrams, etc. Used by hundreds of firms, and by scores of banks and trust companies, including the Federal Reserve System.

Write for folder, specimen work and long list of users.

The Automatic Time Stamp Co.
141 Congress St., Boston, Mass.

"Originators of the art of printing time automatically."



New 1921 Model



DIAGRAPH YOUR SHIPMENTS

Simplicity, Speed, Endurance

Simplicity in construction because of correct design. Speed that meets the requirements of the world's largest shippers. Durability to last a *Business Lifetime*. These, plus new and improved features not to be found in any other machine, have made the DIAGRAPH famous with shippers everywhere for the past nineteen years.

There is a DIAGRAPH for every need; with the DIAGRAPH you can perform a broader range of useful work than with any other type.

Try It Before You Buy It

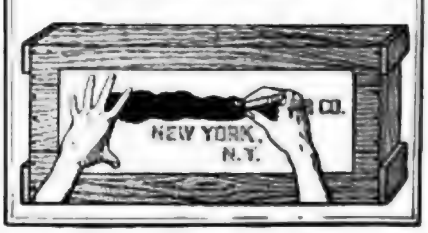
Prove to your own satisfaction, without expense, that the DIAGRAPH will avoid drudgery, error and delays in shipping—simply ask us to send a DIAGRAPH today, prepaid. Give it a thorough trial. If you like it, then buy it; otherwise return it at our expense.

Shipping Room Supplies

Stencil board, inks, brushes and other shipping room supplies can be bought at marked savings direct from our St. Louis office or from branch office nearest you.

DIAGRAPH STENCIL MACHINE CORP.
1601 So. Kingshighway Blvd., ST. LOUIS, MO.

Branch offices in all principal shipping centers—see phone books



ADVERTISING SECTION

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a little more than half their goods by lamp light. The necessity for better production, less spoilage, more contented workers and better discipline among them has already led several states to adopt lighting codes fixing legal minimum intensities for factories.

Since the cost of light has decreased to one-fifth what it was in 1909, there has been no stubborn protest by industry against such laws. The benefits of light are too obvious.

The Institution in the Ad

(Continued from page 20)

do it best by breaking up the advertisement into units, thus sacrificing mechanical unity for unity of thought. Personally, I favor this new departure, not only because small ads appeal so strongly to the eye but because they focus the attention upon one thing and are likely to be read because they look easy to read.

Newspapers in towns of less than 100,000 population receive a more careful reading than do those in the large cities. Everybody in the family reads them; they are scanned with care and commented upon in the family circle. The merchant who uses such newspapers may well consider carefully the idea of using several small ads instead of one large one, devoting each advertisement to one article or one kind of article, and placing the ads on different pages.

This departure from custom will attract a great deal of attention. It will also concentrate the attention of each reader upon the advertising in which he or she is especially interested. The man will see the small advertisement devoted to clothes, underwear, or hats. The woman will see the advertisement devoted to feminine apparel or household goods. Each advertisement will stand a better chance of being seen and read by those to whom it appeals than if it were a small part of a large advertisement, buried in a mass of items of unrelated goods.

Perhaps specialization is another direction in which department store advertising may be said to have improved. Many stores now employ the work of a number of artists, applying their different techniques to various classes of goods for which they are specially adapted. The writing of department store copy is also specialized in the same way; no longer does one man or woman write it all, as was the case a few years ago. Writers, as well as artists, have their techniques; recognition of this fact results in more attractive and convincing copy.

A "feature writer" has his place in advertising as well as in the editorial section of the newspaper or magazine. The advertisement of Hudson's, of



10,000 SALESMEN'S CALLS PER DAY

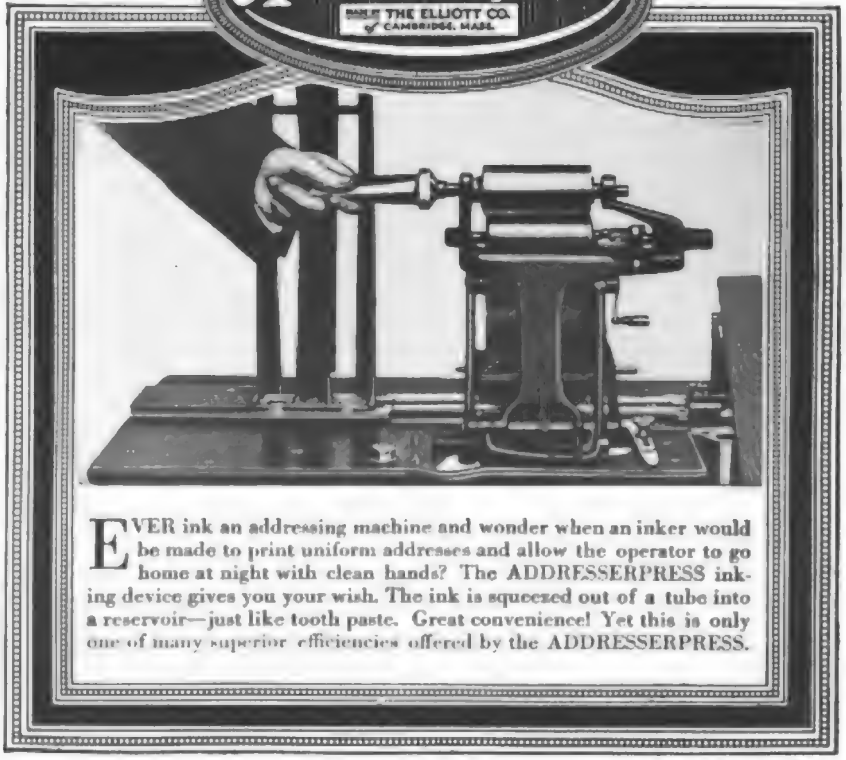
is what this one girl's work represents. On her regular typewriter she stencils a list of addresses into Elliott Index Cards. Then, as often as the Salesmanager wishes to reach people on this list, she runs these cards through the ADDRESSERPRESS—which *automatically* addresses the circulars, statements, samples, or whatever is to be sent out. Wonderful economy in these days of timid buying, and heavy traveling costs.

Send for our Booklet "Addresserpressing"

THE ELLIOTT COMPANY, 143 Albany St., Cambridge, Mass.

The Addresserpress

MADE BY THE ELLIOTT CO. OF CAMBRIDGE, MASS.



EVER ink an addressing machine and wonder when an inker would be made to print uniform addresses and allow the operator to go home at night with clean hands? The ADDRESSERPRESS inking device gives you your wish. The ink is squeezed out of a tube into a reservoir—just like tooth paste. Great convenience! Yet this is only one of many superior efficiencies offered by the ADDRESSERPRESS.



MULTIGRAPH ribbons and razors are very much alike. Constant use will do very much the same thing to your multigraph ribbons that it does to the cutting edge of a razor.

Don't throw your old ribbons away any more than you would discard your razor after a few shaves.

HALCO
Multigraph Ribbon
RE-INKER

will quickly replace the ink in used ribbons, making them print like new, at very small cost.

HALCO Re-inkers are compact and so simply constructed that no experience is needed to operate. Guaranteed by us and sold subject to the approval of the user.

Send now for our latest Catalog and Booklet on the Care and Use of Multigraph Ribbons. No charge or obligation.

THE SHALLCROSS CO.
1450 Gray's Ferry Road Philadelphia, Pa.

ADVERTISING AND ADDRESS
STICKERS

Our Stickers grasp attention and interest. Our designers constantly produce novelties that are inexpensive business-getters. Whether it is a big or little order, we give it an expert touch that makes our Stickers distinctive.

We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
627 WASHINGTON AVE.
ST. LOUIS, U. S. A.

Detroit, entitled "Horatia at the Bridge Party," obviously written by a woman, is an excellent example of the work of a specialist.

Every retail merchant should read department store advertising, clip it, file it by subjects and adapt the ideas it embodies, the methods of illustration, display and description of goods. The department store embraces every variety of retailing, it enlists the services of the best advertising talent available; it has had many years of experience and spends a large amount of money. Presumably, therefore, the department store knows all about retail advertising that has yet been discovered and the fruits of its knowledge and experience are spread upon the pages of the newspapers free to all who wish to gather them.

Stone Age Demonstration

"Demonstrating?" said the grizzled musketeer of marketing. He paused to light another stogie, and the little group of salesmen, who, marooned in the lobby of a tiny hotel in the Middle West on a rainy Sunday evening, had laid aside their Chicago newspapers to hear the veteran talk of other days, hitched their chairs closer and grinned expectantly.

"Demonstrating!" repeated the road-wise *raconteur*. "Folks talk of that nowadays as if it were something new. But it's old, as old as this hotel—and I've been coming here for thirty years. The only difference between the demonstrating of a generation ago and the demonstrating of the present day is that back yonder we didn't have as good things to demonstrate. Hence our methods may have been a little cruder.

"I was traveling out of Chicago for a stove concern. We had brought out something brand new—a malleable iron stove. Malleable iron, you know, won't break as does cast iron, but it will stand the heat just as well. Our stove was virtually unbreakable. You could do tricks with it. I had a trick that I used—exactly the same trick—with every new customer that I approached with that stove.

"I carried a sample, a whole stove. In the provincial territory—and nearly all my territory was provincial—I used to tote that sample of mine from town to town in a chartered wagon. The driver of the wagon always was in on the plot. And this is how we operated:

"We'd arrive in a town and I'd leave the wagon, with the driver in charge, and go call on the hardware dealer. I'd tell him about our new malleable iron stove and explain that I had one of the stoves in town to show to him. I'd ask his permission to send the stove up to his store for his inspection.

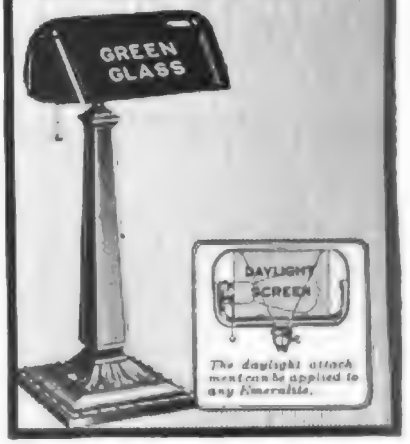
EMERALITE
The National Desk Lamp

YOUR eyes need a light correct in quality as well as *quantity*. Daylight is best for the eyes because Nature has made it perfect in quality and distribution. The new

Daylight Attachment

converts ordinary electric lights into soft, restful daylight and eliminates eye strain. Emeralites enhance the appearance of any office and are adopted as standard equipment for those who appreciate the importance of proper lighting. Invaluable for every reading or writing task. At office supply and electrical dealers. *Send for a sample Emeralite on 10 days' trial.*

H. G. McFADDIN & CO.,
43 Warren St., New York

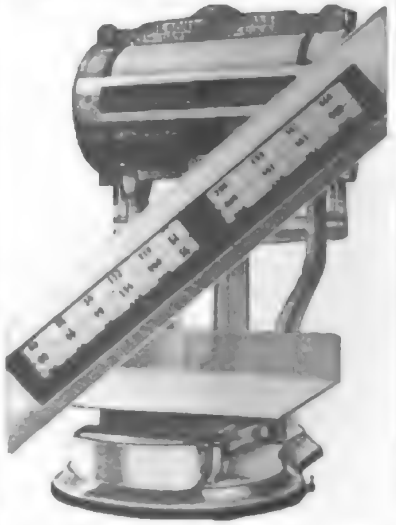


The daylight attachment can be applied to any Emeralite.

DAYTON MONEYWEIGHT PARCEL POST SCALE

No. 145

Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

Moneyweight Scale Co.
DAYTON, OHIO
Sales Distribution

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Generally, of course, he would consent. Then I'd tell the retailer that I was going to step over to the hotel to write a couple of letters, that in the meantime the driver would bring the stove to the store and that I'd come back a little later to demonstrate it. Then I'd go back to the wagon and tell the driver to do his worst.

"In my absence the wagon would back up to the curb in front of the hardware man's store. Usually the proprietor would come out and say to the driver, 'If you'll wait a minute, a couple of us will come out and help you unload the stove.'

"But that driver always was in a hurry. He was instructed to be. Besides, he was a hard-boiled guy. Before anybody could come out to help him he'd start unloading the stove himself. He'd slide the thing to the back end of the wagon, open the tailgate and then grab hold of the bottom of the stove from inside the wagon, and tip 'er up. But always he was too strong. He'd tip 'er up too far and she'd topple over away from him, drop two or three feet and land, upside down usually and with a horrible clatter, on the stone sidewalk.

"Of course, excitement would follow. The hardware dealer and his men would come out. Sometimes a little crowd would gather. And at just about that time I would arrive on the scene and ask, 'What's the matter?'

"Generally, the store proprietor would volunteer to explain—and apologize. He'd say: 'Why I told that durn-fool driver of yours to wait a minute and we'd help him unload the stove; but he seemed to be in a terrible rush, and before we could come out to give him a lift he tried to unload it himself and he dropped it on the sidewalk. I'm danged sorry, but it wasn't exactly my fault.'

" 'Sure it wasn't you fault,' I'd say, 'but that doesn't make any difference. You can't hurt this stove much by dropping it. Let's take it inside and look it over.'

"Then I'd gather up the lids and throw 'em on the stove and we'd carry it into the store and the hardware dealer, himself, would examine it. He wouldn't find as much as a crack.

"Rough work? Maybe. But it sold a good many malleable iron stoves."

Indefinite

"Is this the hosiery department?" said the voice over the phone.

"Yes," replied the weary saleslady.

"Have you any flesh-colored stockings in stock?" asked the voice.

"Yes," replied the weary saleslady. "Whadda ye want—pink, yellow, or black?" —*Cincinnati Inquirer.*



EGRY REGISTERS

in Retail Business

are solving the problem of conserving profits, performing this most wonderful of achievements by the simple method of placing the merchant in complete control of his business—making him *master* of it and *not* subservient to it. That's the point.

Become Master of Your Business

by gaining a thorough insight of the details of every transaction, thus automatically *certainty* takes its place, eliminating question and doubt, preventing shifting of responsibility and avoiding unpleasant and unprofitable disputes. More profit is gained by the savings effected than by former methods of increasing selling prices. Increased efficiency becomes a *fact*. More satisfied patrons created. Less worry. More time for thought to business upbuilding.

EGRY System of Retail Sales

properly conducted will make you *master* of your business by providing you with the means of securing the complete history of each day's business and keep you constantly informed as to details of *every* transaction.

You will know:

1—What merchandise has been sold
2—What goods have been removed from surplus stock
3—Productivity of salespersons
4—What your daily profits are
5—Whether charge items have been properly posted
6—Of any losses on sales
7—That protection has been given every patron
8—Exactly what your cash sales are
9—That all payments have been properly recorded
10—Exactly what money has been paid out

The Egry Auditor is distinctively in a class *all its own*. It is the most protective sales recording device ever offered to the merchant. Its simplicity coupled with its far reaching results has won for it the hearty approval of users.

Saved $263.51 in 48 Days

that's what Mr. L. R. Roth, of Indianapolis, says the *Egry System* did for him.

You ought to know more about this truly remarkable system and we shall be very glad to supply the information without any obligation to purchase—just an opportunity to prove to you the merits of the *Egry System*.

The Egry Register Company

Dept. B, Dayton, Ohio

Say you saw our ad in BUSINESS—it will identify you.



ADDING

Burroughs Adding and Listing Machines are built in different models of varying size to fit the needs of any kind of business, large or small.

BOOKKEEPING

Burroughs Bookkeeping Machines bring to the posting of ledgers and other important records the automatic accuracy and speed that characterize machine methods.

CALCULATING

Burroughs Calculators add, multiply, subtract and divide without printing the figures—giving wanted results in the shortest possible time.

Burroughs

Adding – Bookkeeping – Calculating Machines

ADVERTISING SECTION

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They say—"the best filing department in the U. S."

Practically every one is familiar with the H. K. Mulford Company, manufacturing chemists. They do a tremendous business, both domestic and foreign.

Library Bureau was asked to assist in the reorganization of their filing department. An intensive study was made of their problem. The report of this investigation was read in a special meeting of 15 department heads—discussed from every angle—*and adopted!*

L. B. not only worked out the most practical filing method, but actually installed the system, started it going, showed executives how to use it to the best advantage, and instructed the file clerks how to keep it running smoothly.

Today, the executives and employees of the H. K. Mulford Company say they have "the best filing department in the United States".

These days, a good filing system is more necessary than ever before. If you are having trouble, call in the L. B. representative. He knows his business.

Write for 64-page catalog—"Vertical filing"

Library Bureau

Card and filing systems

Filing cabinets wood and steel

Founded 1876

Boston 43 Federal street

New York 316 Broadway

Philadelphia 910 Chestnut street

Chicago 6 N. Michigan ave.

Albany, 51 State street
Atlanta, 102 N. Pryor street
Baltimore, 14 Light street
Birmingham, Vault Floor, Jefferson County Bank bldg.
Bridgeport, 989 Main street
Buffalo, 120-122 Pearl street
Cleveland, 243 Superior arcade
Columbus, 20 South Third street
Denver, 450-456 Gas and Electric bldg.
Des Moines, 203 Hubbell bldg.
Detroit, 1416 Washington blvd.
Erie, Pa., 322 Commerce bldg.
Fall River, 29 Bedford street
Hartford, 78 Pearl street
Houston, 1116 Texas avenue
Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Louisville, Ky., 508 Republic bldg.
Milwaukee, 620 Caswell block
Minneapolis, 428 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 31 Clinton street
Pittsburgh, 637-639 Oliver bldg.
Portland, Me., 665 Masonic bldg.
Providence, 79 Westminster street
Richmond, 1223-24 Mutual bldg.
St. Louis, 805-815 Arcade bldg.
St. Paul, 131 Endicott arcade
Scranton, 409 Connell bldg.
Springfield, Mass., Whitney bldg.
Syracuse, 401-407 Gurney bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N.W.
Worcester, 527 State Mutual bldg.

DISTRIBUTORS
F. W. Wentworth & Co., San Francisco, 539 Market street
Seattle, 912 Third avenue
Oakland, 305 Thirteenth street
McKee & Wentworth, Los Angeles, 440 Pacific Electric bldg.
Parker Bros., Dallas, 1918 Commerce street
C. G. Adams, Salt Lake City, 204-205 Ness bldg.

FOREIGN OFFICES—London Manchester Birmingham Cardiff Paris

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One peal of a great bell is as much like another as is one print

of the Mimeograph like its original. The finest of workmanship is the Mimeograph's habitual product. But one can no more get neat work from a slovenly and badly aligned typewriter than one can get excellent duplicates from a dirty and mis-managed Mimeograph. No finer reproductions of letters, forms, blanks, charts, diagrams, etc., can be made than the Mimeograph will deliver under ordinary care. But trained skill is not an essential. Five thousand exact duplicates the Mimeograph delivers an hour—and at almost negligible cost. Every day it is saving huge sums for industrial and educational institutions throughout the world. Let us show you how it will save for you. Get booklet "B-6" from A. B. Dick Company, Chicago—and New York.

EDISON-DICK

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AUG 3 1921

BUSINESS

AUGUST — 1921 160,000 COPIES



Burroughs Adding Machine Company
Second and Burroughs Avenue
Detroit - - - Mich.

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"At a glance"

That's the way our filing system works. Its speed; its precision; its flexibility; its convenience give you the facts at a glance.

We've put into this system the concentrated experience of 33 years' constant study of the needs of the modern business office.

And you'll like the way our supplies are made: from good materials—the best for the purpose—stuff that lasts and "wears well."

BAKER-VAWTER COMPANY

Originators and Manufacturers Loose Leaf and Steel Filing Equipment

Service offices in 52 cities.
Manufacturing plants at
Benton Harbor, Mich.
San Francisco, Calif.
Holyoke, Mass.
Kansas City, Mo.

Canadian Distributors:
Copeland - Chatterson,
Ltd., Brampton, Ont.



BUSINESS



VOLUME TWO
NUMBER ELEVEN

AUGUST, 1921

LUCIEN KELLOGG, *Editor*
A. H. LINENBERG, *Business Manager*

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Business still lies waiting for the merchant who will put his imagination to work and study the possibilities of his market

Copyright, 1921, by the Burroughs Adding Machine Company
Published monthly in Detroit, Michigan



Sherwin-Williams Co., Columbus, Ohio

Goods Well Displayed Are Half Sold

EVERYONE knows that stocks well displayed sell more quickly and more easily. And, that the customer knows the greatest satisfaction in selecting merchandise from clean-cut, trim, stable-looking shelves.

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BUSINESS

The People Sit in Judgment

By Arthur H. Little

THE TIME is surely coming when the labor agitator will be as extinct as the dodo."

Judge W. L. Huggins, chief justice of the Court of Industrial Relations of the State of Kansas, sat at his desk in the state capitol at Topeka and wrote as he talked. He was signing his name, time after time, at the bottom of sheets of paper and turning each sheet face downward in a growing stack at his left hand. He looked up, pen poised in the air, and went on:

"Why not? Why shouldn't capital and labor sit down across a table from each other, just as you and I are sitting here, and thresh out their differences without recourse to lockout or strike? Well that's what's coming, just as sure as shooting. The labor agitator, the strike leader, the independently arbitrary employer will simply cease to exist. Of course, there will be labor unions. Modern thought recognizes that collective bargaining is right and efficient. But the officers of those labor unions will be mere financial agents, empowered by the unions to represent them at the council table with capital and do their bargaining for them. Differences between capital and labor will be adjudicated in a permanent court—not arbitrated before a temporary board of arbitration—and that court will be one set up by the people and charged with the responsibility of the people's welfare. That's what's coming. You'll see!"

And the presiding judge of the first court of its kind in America, a court that he created by writing the law that established it, went on signing his name.

Kansas probably produces more wheat than any other state in the nation. One is inclined to think of Kansas as an agricultural state; and so it is. But down toward its southeastern corner Kansas has another Pittsburg. This is a smaller Pittsburg than the eastern one and it is a center, not of steel making, but of coal mining. Soft coal, of good quality, crops out close to the surface of the earth and offers itself for "strip" mining. Twelve thousand miners, unionized to a man, are employed in those coal mines of Southeastern Kansas. There you have industry; and when you have industry you generally have industrial troubles.

In the period between April, 1916, and December 31, 1918, there were, in the coal mines in Kansas, a total of 364 separate strikes. According to figures compiled by Governor Henry J. Allen, the amount in dollars and cents gained by the miners from those 364 strikes was exactly $784.84; and



W. L. Huggins, presiding judge of the Kansas Court of Industrial Relations

the miners' total loss in wages, as figured at the current scale and as incurred by their idleness during the strikes, was $1,006,454.41.

Economically, that was bad enough. But in the Kansas view of industrial relations it was only one-half the story. Leaving out, for this consideration, the losses of the mine operators, there was still another group that suffered from those strikes; and that group was the public. Kansas, as a community of persons, holds the view that industrial relations in lines of industry, such as the mining of coal, that have to do with public service and with the sustaining of human life, constitute a public concern. It is that view that Kansas has written into the statute that lies behind the Kansas Court of Industrial Relations. The story of the writing of the law and of the birth of the court goes back to those strip mines on the prairies around Pittsburg.

It was in the closing months of 1919 that warfare between the mine operators and the miners around Pittsburg took on the characteristics of a siege. Demanding shorter working hours and an increase of 60 per cent in wages, twelve thousand miners had struck in the midst of a Kansas winter; they refused to go back. The operators, on their part, sat tight and said, "We'll starve 'em out." And the public? So far as either the miners or the operators seemed concerned, the public could freeze.

Governor Allen acted. He called for volunteers to work the mines. More than ten thousand men responded. They came from the farms, from the cities, from offices, from Kansas University and from the state agricultural college, from the ranks of the American Legion. From the ten thousand were picked about a thousand men. With the Fourth Regiment of the Kansas National Guard under command of Adjutant General C. I. Martin as an escort and with Governor Allen as their field marshal, the thousand entrained at Topeka, went down to Pittsburg, took over those mines in the name of the state and operated them in the interests of the people.

The deadlock was broken. The mine operators, eager now to retrieve their properties—the more so since those properties had been placed in better shape than before—bestirred themselves toward a settlement with the miners; and the miners, on their part, convinced that their union officials may have exaggerated a little when they had predicted that not a pound of coal ever would be mined in the Pittsburg district except by union miners, were eager to settle.

The strike over, Governor Allen went back to the capital and issued a call for a special session of the Kansas legislature. While the law-makers were coming in, the governor held court

He sought a law that would prevent a repetition of the Pittsburg affair. He talked with lawyers and he talked with William Allen White, the writer. Then he called into consultation a man who for years had been studying this very thing of industrial relations and the public interest in those relations and who, in a public speech some six years before, had brought down to date as applicable to the industrial-relations problems of today a legal principle two hundred and fifty years old. That man was W. L. Huggins, lawyer, and then a member of the state public utilities commission of Kansas.

This man wrote the law the governor sought, and in the writing thereof he sat down between the lines that same two-hundred-and-fifty-year-old legal principle, a principle written by Sir Matthew Hale, of England. As Sir Matthew wrote it, the principle was this:

> Whenever the king or a subject have a public wharf to which all persons must come, who come to that port to unload their goods, in that case there cannot be taken arbitrary and excessive duties for cranage, wharfage, etc., but the duties must be reasonable and moderate, for now the wharf and the crane and other conveniences are affected with a public interest and they cease to be *juris private* only.

That is the basis of all present-day law regulating public service corporations. That principle of Hale's is the principle that lies behind the regulation of railroad rates and the charges for telephone and telegraph service, for gas and for electricity. And that principle, extended, is the principle that lies behind all modern-day legislation that compels public service corporations not only to make their charges "reasonable and moderate," but to continue giving service.

And it was that principle, still further extended, that Public Service Commissioner Huggins, after conferences with the governor and with his brother lawyers, wrote into a bill that became a law and more than a law, in that it has been called an industrial code. Briefly, the extended principle was this:

That the public not only has the right to fix charges that may be exacted by what ordinarily are regarded as public service corporations and to see to it that the service rendered by these corporations is adequate and continuous, but that these rights of the public apply with reference to other corporations, companies and individuals that are "affected with a public interest," in that they are engaged in the production of such necessities of life as fuel, food and clothing; and furthermore that the public may insure the continued service of public service corporations and the uninterrupted supply of the necessities of life by prohibiting employers engaged in those specified industries from ceasing or curtailing their operations by lock-outs of employees or otherwise, and by prohibiting the employees of those employers from interfering with that service and that continuous supply of the necessities, either by strike or otherwise.

That, broadly, was the principle. But a principle needs an instrument; and so Public Service Commissioner Huggins built into his law the structure of a court of industrial relations, a tribunal of the people that was to sit in judgment, not as an arbitrator but as an adjudicator, in matters in which those relations should touch the public interest. Then he put an edge on that instrument by providing a penalty—a penalty for the employer who would lock out his employees or otherwise shut off or cut down his service or his production, and a penalty for employees in those lines of industry who would strike.

FASHIONED thus and accompanied by a message from the governor urging its passage, the bill went before the special session of the Kansas legislature. Then began a new warfare that waged for many days beneath the capitol dome. Organized labor fought the bill and brought its heaviest guns to bear. Frank P. Walsh came over from Kansas City and spoke for an entire day against it. On the following day J. I. Sheppard, also representing labor, hammered the bill for three hours. The author of the law himself took the floor and defended it. William Allen White, speaking, as he said, neither for capital nor labor but for the people, was another advocate. And finally, nineteen days after the convening of the special session, the bill was passed and became a law. By appointment of the governor, Public Service Commissioner Huggins became Judge Huggins, presiding justice of the Court of Industrial Relations, which he had conceived. The governor appointed the two other judges provided for by the law, and the three-judge court began functioning. So much for history.

In its first fiscal year the court passed on twenty-eight cases. Twenty-five were brought by labor to increase wages or otherwise improve working conditions; one was filed by capital, and two were original investigations made by the court itself under a provision of the law that empowers the tribunal to investigate and adjudicate on its own initiative. In thirteen cases wage increases were granted to labor. In three cases wage increases asked by labor were refused by the court, on the ground that the wage already being paid was fair. One case was settled without a court decision when the relief applied for by the workers was granted by the employers during the trial. In another case the court sat as an umpire, ruling on the terms of a collective contract between capital and labor.

In one of its two original investigations the court went deeply into an examination of the fuel situation in Kansas, from the mining of the coal to its marketing. In the other the court looked into industrial establishments engaged in the milling of flour. In each of these investigations, under the authority vested in it by the law, the court summoned officers of companies, put them under oath and questioned them, ordered books and accounts brought into court for examination and sent its own investigators afield for additional data. Nobody protested.

In not every case brought before the court since its establishment have industrial relations been involved. A milling company at Hutchinson had been operating, during the days of business expansion, twenty-four hours a day. Came business depression. The milling concern sought to curtail its operations to harmonize them with the decreased demand for its product. Under the terms of the Kansas industrial code the company filed a petition in the Court of Industrial Relations, asking official sanction of the desired curtailment. The court investigated, determined that the milling company was innocent of an ulterior motive to increase the price of flour by lowering the supply and that conditions really warranted the curtailment, and granted the petition.

As an umpire the court heard the case of the Fort Scott Sorghum Syrup Company when that concern applied for relief from the terms of a contract with its employees. Here was a little concern, engaged in the manufacture of syrup from sorghum cane. Its period of active operation, it was shown to the court, covered a period of only fifty to ninety days—a period called the "campaign"—in the fall of each year. During the "campaign" farmers brought in their sorghum cane by the hundreds and thousands of tons and the little crushing plant ran day and night. But, with the "campaign" over and for all the rest of the year, the mill had nothing to do but refine and mix the syrup and prepare it for table use.

The sorghum company had signed a contract with Local Union No. 412 of the International Brotherhood of Firemen and Oilers, and, by this contract, the company had agreed to a "closed shop" arrangement with reference to its firemen. Shortly after the close of the 1920 "campaign" there arose a question concerning those same firemen. In normal times it had been the company's custom to retain through the year a chief engineer, an assistant,

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Above—Left to right, Judge Clyde Reed, Judge George Wark, Judge W. L. Huggins and Governor Henry J. Allen. Below—A "strip" coal mine near Pittsburg, Kansas

engineer, a fireman and an assistant fireman. Testimony showed that in previous years there had been work for all four men.

But late in 1920 the sorghum company's business fell off, most precipitately. The concern laid off the firemen and proposed to operate its one boiler and one engine by the engineer and assistant engineer on their respective shifts, each acting as his own fireman. On the witness stand the chief engineer admitted that he was willing, and qualified, to fire his own boiler. The company was willing to have him do so. Everybody was willing, except Local 412. Local 412 pointed out that neither the engineer nor the assistant engineer was a union fireman and that, anyway, if both men were union men, the union's rule of "one job, one man," would have prohibited them from holding down two jobs apiece.

In its official opinion the court thus summed up the case: "The controversy seems to narrow itself down to the question whether this little company shall be required at this time, with its business practically paralyzed, to pay out twelve dollars per day for men who will each be required to do only two hours' work per day. The amount involved is insignificant, but the principle is important. Here is a little plant operating under very adverse conditions. It is shown by the testimony that it is losing money at the present time, and while twelve dollars a day is not a large amount, it increases the deficit. The rule contended for by the local union would cause an economic waste—small, it is true, but nevertheless a waste."

Continuing in its opinion, the court took cognizance of the fact that the general representative of the brotherhood, who had been present at the trial, expressed the belief that the officers of the local had made a mistake in not admitting the two engineers to membership. The court cited the provisions of the Kansas industrial law that recognize the right of collective bargaining but clothe the court with the power of modifying the terms of such bargaining, and ordered that the terms of the contract between the syrup company and the local be so altered as either to permit one man to work on more than one job, or to admit an employee, transferred temporarily to other than his usual duties, to membership in the union without cost to himself or the company.

A case that involved many interesting angles, and a case, by the way, that was decided against the employer, was that brought by the Kansas attorney-general—under authority given to him by the industrial law—to settle a controversy between a public utility company and its employees. This company supplies electricity to the public and to a street railway company. Its electrical workers, all union men, were asking higher wages—an increase of ten cents an hour—and a basic eight-hour day. The company had offered an increase of two and one-half cents an hour, which the union had rejected. In response to the petition of the attorney-general in the Court of Industrial Relations, the electric company had filed an answer, setting forth that it would "welcome the good offices of this court in a judicial determination of that which is equitable and just in the premises."

Whereupon, the court set those good offices in motion and went into the matter of what was "equitable and just in the premises." The court heard the testimony of one of the electrical workers. He told of how, under the old scale of $2.75 a day and later of $90 a month, he had been "better off" than at his current wage of $4.80 a day; and he specified. He cited the facts that working shoes that formerly cost him $2.50 were now $6 a pair, that overalls that formerly cost him 90 cents a pair were now $2.85, and that the same kind of coal that formerly cost $4.50 a ton was now $10.50.

The court heard his testimony and more. It heard testimony concerning scales of wages paid to electrical

(Continued on page 38)

All Parts Accounted For

"We Always Have Enough Material, but no Surplus," Says an Indiana Company, "Because Our Records Give Us Perfect Control of Our Stock"

By Leonard H. Allen

WE COMPLETED that order with forty-five thousand dollars' worth of surplus stock on our hands," said a factory executive. "That forty-five thousand dollars," he added ruefully, "just about equalled our profit on the job."

The factory executive was speaking of a specific occurrence, but he was reflecting a condition that has been common, it seems, to many manufacturing concerns. He was telling of a situation that arose in his own experience, but he was telling, too, of a situation that has arisen, and that seemingly continues to arise, in the best-regulated of factories.

There are purely normal causes, unavoidable and hence justifiable—such, for instance, as the spoilage of materials or parts in the processes of manufacture—that contribute to the surplus with which a factory "pulls up" at the completion of a manufacturing job. In their contribution to the waste of surplus, however, all these unavoidable causes together frequently are overshadowed by the effect of one avoidable cause. That single avoidable cause is the absence, or the imperfection, of co-ordination among three of the agencies that constitute a factory's management—the selling force, the purchasing agent and the production department.

The selling force strives to sell the factory's product. The purchasing agent hunts for bargains in the materials that are to go into that product. The production department takes those materials as it needs them and fashions them into the goods to be sold by the selling force. When the job is done the general manager knows precisely the feelings of the amateur mechanic, who, when he undertook to rebuild his alarm clock, "pulled up" at the end of his task with enough surplus parts to make a watch.

"A factory," said H. J. Wilson, works accountant of the Warner Gear Company, of Muncie, Indiana, "is like a fresh-water lake. So long as the volume of the lake's outlet is equal to the combined volume of its inlets, the lake is well-behaved. When the balance between the volume of the outlet and the combined volume of the inlets is disturbed, then there's trouble; the lake either overflows its banks or goes dry."

The plant of the Warner Gear Company, as it goes serenely on with the building of clutches, transmissions and differentials for the manufacturers of motor cars and motor trucks, neither overflows its banks nor goes dry. When this Indiana factory "pulls up" at the completion of an order for fifty, or a hundred, or five thousand units of its product, there is no surplus. This condition is one that has been brought about by perfecting co-ordination—the co-ordination, first, among the major agencies that constitute the management, and beyond that, the co-ordination in the internal workings of the plant.

In the Warner Gear Company's management there are not merely three major agencies, but four. Three of these are the sales, purchasing and production departments. The fourth is called the planning department. With equal accuracy it might be called the co-ordinating department. If the Warner factory is a lake, then it is the planning department that maintains the lake at a happy level.

Let us follow the course of an order coming to the Warner Company. As brought in by the sales department, this particular order calls for, say, 5,000 clutches and transmissions, with each clutch and transmission combined in one unit, and the schedule of deliveries calls for 1,000 units a month.

The order goes first to the Warner engineering department. The engineers study its mechanical details. Specialists in clutches and gear-sets, they may be able to suggest improvements; if so, they consult with the customer's engineers and so perfect the design.

Then the Warner engineers pass the order on. They pass it on, however, not to the plant superintendent, but to the planning department. The planning department studies the order's mechanical details—not from blueprints, but from a list of the parts that will go into the order.

"So," says the planning department, scanning the list, "five thousand assemblies, to be delivered at the rate of a thousand a month. Let's see." And then, part by part and piece by piece, the planning department analyzes that list, from the aluminum cases that are to enclose the finished assemblies to the little hardened-steel pins that will go into some detail of the mechanism. The planning department thus determines just how many units of each part or piece are to be needed and, with reference to the schedule of deliveries to the customer, when those units are to be needed. Then the planning department transfers its findings to a set of records.

For every part or piece, whether it be purchased by the Warner Company in the finished state or taken out of "rough stores" and processed, the planning department has a record, a ledger account. That record, that account, carried forward and debited and credited and balanced as the processes of manufacture go forward, is to show just how many units of that part or piece are in the factory and just where those pieces are, whether in the stores, in the process of manufacture, or in the completed state.

But the planning department is interested not merely in parts and pieces, their number and their location in the factory. Because it is responsible for meeting that schedule of 1,000 finished clutch-and-transmission assemblies a month on this new order and for meeting all the other schedules of all the other orders on the books of the company, the planning department must know all the anticipated requirements as to every part and piece. The planning department therefore has

Dollars in the Factory

"A MANUFACTURER," says H. J. Wilson, works accountant of the Warner Gear Company, of Muncie, Indiana, "should look upon his materials just as respectfully and guard them just as jealously as a bank looks upon and guards its commodity—which is money.

"A bank keeps its commodity in a guarded room. Not a single dollar of that commodity can be added to or withdrawn from storage except upon written authorization. Carefully worded documents, signed by the proper authorities—upon these and these only may the workers in that bank change the status of the 'stores' in that guarded room. Every change that they make in the amount of storage must be set down, immediately, in the records.

"What essential difference is there between fifty thousand dollars in money in the vault of a bank and fifty thousand dollars in the plant of a manufacturer?"

subdivided its ledger accounts as follows:

1—To show, in units of each kind of piece or part, the actual requirements for all business on the books of the company, the total of orders actually placed by the purchasing department for additional supplies of that piece or part, and the difference between the requirements and the total of purchasing department orders.

2—To show, in units of each kind of piece or part, the total of raw materials ordered, the total of receipts of that piece or part and the difference between the quantity ordered and the quantity received.

3—To show, in units of each kind of piece or part, the total of requirements for business on the books as compared with the schedule of deliveries to customers and, besides this, the relation between quantities received by the Warner Company and quantities still due from the concerns from which it buys.

4—To show, in units of each kind of piece or part, the total of raw material in "rough stores," the total of pieces issued from "rough stores" to the production department for manufacture, and the difference between these totals—or the number of pieces still available in the stores.

5—To show, in units of each kind of piece or part, the total of the entire factory's requirements yet to be ordered into production.

6—To show, in units of each kind of piece or part, material in actual process of manufacture.

Thus, by its records, the planning department knows, first, whether the factory has sufficient supplies of all materials or needed parts.

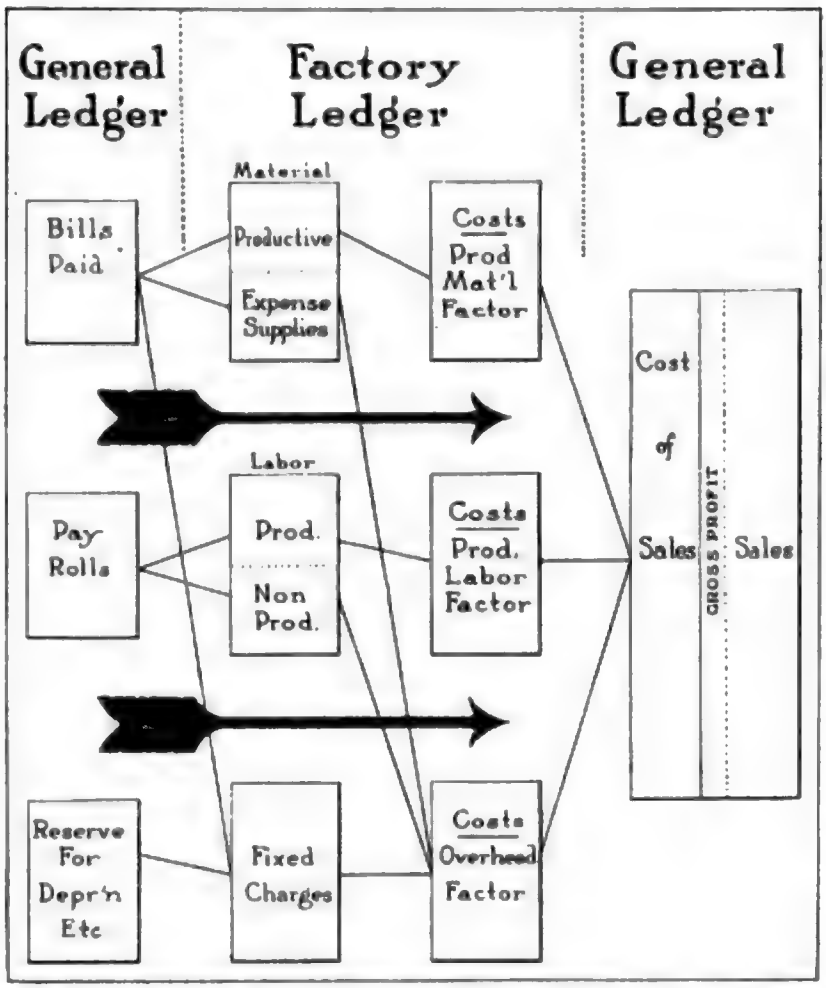
If materials or parts are to be purchased, the planning department notifies the purchasing department. Then, and not until then, does the purchasing department live up to its name by doing some purchasing.

By its records the planning department knows the condition of things throughout the factory—what productive centers are loaded to less than their capacities and what centers already have all the work they can do. In one of its phases the planning department thinks in terms of time-studies, of estimated capacities of production centers and of specific machines in those centers, and of actual production as demonstrated by closely recorded experience.

In every department or center of production in any factory there is a "key" operation or a "key" machine. That "key" is the slowest machine or slowest operation in the department or center. Because the pace of production is established, not by the leaders, but by the slowest operations or the slowest machines, the schedule of work through that department or center must be synchronized to that slowest operation or slowest machine.

So the planning department, knowing what work already is in progress through the factory, knowing what deliveries must be made to customers and at what specified times, and knowing what the production centers, with their "key" operations, may be expected to produce, routes the new order through the plant. Operation by operation and machine by machine, that route is established in advance. Materials and parts may come from a half-dozen different sources within the plant and in their progress through the plant they may take a half-dozen different courses and require a half-dozen different periods of time to complete those courses. The planning department, in making up the itinerary and the schedule of the order through the factory, adjusts those differences, compensates between the various rates of speed and so lays out the respective routes of all those component materials that they will come together at the assembling department at the same time—and on time.

Thus the planning department fashions that schedule, reduces it to writing and turns it over to the factory superintendent. "Let's go," says he—and the order starts through the works.



This chart shows how the three elements of cost—materials, labor and fixed charges—flow through the plant of the Warner Gear Company with every part and every piece that goes through the process of manufacture

The interest of the planning department in that order, however, does not cease when the order starts through the factory. That pre-established schedule of successive operations wasn't made for merely academic purposes; it was made to be followed. It is for the planning department to see to it that that schedule is followed. And so, for the first operation on the order the planning department issues a requisition, ordering out of stock the quantity of parts or of materials that will be used in the first day's work, and sends them to the production center that is to start the work—not only to the center, but to the specific machine in that center that will first turn a wheel on the order. Along with the parts or materials goes a blueprint that will show the operator how to set up his machine for the operation. The materials, with their accompanying blueprint, go to that specific machine and that specific operator two hours before that first operation is scheduled to start.

That machine operator, incidentally, has been surrounded with a productive environment. He is producing only when his machine is running. That his machine may be kept running, he must be kept supplied with materials, and those materials must be enabled to move from machine to machine or from center to center by the shortest routes and in the shortest time.

In the Warner plant there is, strictly speaking, no such thing as a production "department"—a specializing department consisting of a group of machines that merely add some operation or sequence of operations to some part or

group of parts and then pass the work on to some other department that carries it forward through some other stage of fabrication. The Warner system is the progressive system. Instead of being made up of departments, the Warner plant consists of production centers, each of which is arranged and equipped to take a given part or group of parts out of stock, apply to that material all the necessary operations of manufacture and deliver it into "finished stores," ready to be assembled in a clutch or transmission. The highly specialized operations, such as heat-treating or grinding, calling for extensive installations of special equipment, have been grouped in single centers. Aside from these and with reference to every operation that can be handled in the manufacturing centers themselves, each of the production centers is an independent entity.

"A factory," said Mr. Wilson, the Warner works accountant, "is like a fresh-water lake." His simile is applicable to his own conception of factory accounting and to the specific method of factory accounting he has applied in the Warner plant. His figurative lake has three inlets—materials, labor and fixed charges. It has one outlet—the total of costs. Materials coming in are in the form either of "rough" stock or of finished parts from some outside factory. Labor is either productive or non-productive, direct or indirect. Fixed charges are made up of such items as depreciation, taxes, capital reserves.

Those three elements of cost—materials, labor and fixed charges—should flow through the plant with every part and every piece that goes through the processes of manufacture. To see to it that the three elements not only follow each part or piece, but attach themselves to it—that is the function of a cost-accounting department.

In the Warner plant time and money have been saved by assigning cost accounting to a department of clerical workers who have the keeping, also, of the stores ledgers. Originally the cost-accounting department was situated in the main office, while the stores accounting department, although it had its headquarters in the main office, was scattered throughout the plant. For efficiency, the store department was centralized in the main office, its records were brought in, and the department was merged into a unit with the department of cost accounting. This single unit operates in conjunction with the planning department. All documents, such as requisitions, affecting materials and the movement of materials—as well as expense supplies such as oil, waste, stationery and the like—pass first through the planning department; and after the productive materials are posted to that department's records, all documents affecting stores then proceed to the cost-and-stores-accounting department.

Like the planning department, the cost-and-stores-accounting department maintains a set of ledgers, with an account for each part or each piece of material. The planning department has some 8,000 separate accounts, the cost-and-stores department some 20,000.

But cost accountants are concerned not merely with numbers of pieces, but with the money values of those pieces. So it is that the ledgers of the cost-and-stores department record not only the numbers of pieces and where those pieces are—whether in storage, in process or in assemblies—but they show, too, the values of those pieces per unit and in the aggregate. If the part is one that was bought finished, the unit value shown on the cost-and-stores ledger is a figure that has been established by the vendor's invoice. If the part is one that has passed through stages of manufacture in the Warner plant, then the unit value includes the first cost and the added costs of those stages of manufacture. These added costs include the direct labor and the resulting overhead.

THE starting point, it is to be borne in mind, is always the unit value. The total of money invested in the supply of a given piece or part is the figure obtained by multiplying that unit value by the number of units in stock. It follows, therefore, that if the stores ledgers reflect inaccurately the number of units in stock, then they reflect inaccurately, too, the money tied up in materials. So the whole story goes back to the bins and the racks in the "stores" and to the wheeled conveyors of materials wending their way through the processes of work in the factory.

"A manufacturer," says Mr. Wilson, "should look upon his materials just as respectfully and guard them just as jealously as a bank looks upon and guards its commodity—which is money. A bank keeps its commodity in a guarded room. Not a single dollar of that commodity can be added to or withdrawn from storage except upon written authorization. Carefully worded documents, signed by the proper authorities—upon these and these only may the workers in that bank change the status of the 'stores' in that guarded room. Every change that they make in the amount in storage must be set down, immediately, in the records. What essential difference is there between fifty thousand dollars in money in the vault of a bank and fifty thousand dollars in materials in the plant of a manufacturer?"

In the opinion of the Warner Gear Company there is no essential difference. A dollar's worth of parts or materials in "stores" or in process is simply—a dollar. That dollar cannot be moved from "stores" to manufacture or from manufacture to assembly except by the intervention of some "carefully worded document signed by the proper authorities." To move it out of "stores," that dollar must have a requisition, issued by the planning department. To proceed through the plant to its destination in "finished stores" for future assembly in clutch, transmission or differential, that same dollar must have another equally inviolate document—a document called an "in-slip." That requisition, or that in-slip, when it has completed its errand and delivered the dollar, returns to the planning department, there is recorded in the ledgers of that department, then passes on to cost-and-stores and is posted again. Thus, just as does the bank, the Warner Gear Company closes each day's business with its commodity books in balance.

Like the bank, too, the Warner Gear Company has its methods of checking those balances to see that they are correct. First, the balances of accounts in the stores ledger can be totaled each month and compared with the general ledger of the company—specifically with the general ledger's showing, in money values, of the investment in materials.

Another check is a perpetual physical inventory of the bins and racks in the big storage spaces in the factory. Stock clerks in these storage spaces devote a certain part of their time to counting materials on hand; and this counting process is so scheduled as to effect a complete check-up of all stores every three months. Results of these counts are noted on the ledger cards in the stores accounts in the main office.

To facilitate the counting, small parts are stored in sealed bins. Thus, when a shipment of hardened-steel pins comes in the pins are counted and segregated into lots of 500 or 1,000 each. Each of the lots is placed in a separate bin and sealed. A ticket, attached to the outside of the bin, shows the number of pins behind the seal. When a stock clerk takes a census of those pins it is necessary for him to count the contents of one bin only—the one that has been opened.

Similarly, rough stock in the form of steel bars more than an inch in diameter has the length of each bar stamped on the end; and to distinguish between kinds and grade of steel, the ends of the bars are painted an identifying color for each kind or grade. Stock in the form of bars less than an inch in diameter is piled in the racks in tiers, each tier being but a few inches deep. Each tier has been measured, then wired down with wires attached to the standards of the rack; and a tag,

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For Less-Than-Carload Freight

THE LATEST in transportation equipment is the container car, which the New York Central Railroad is trying out between New York, Cleveland and Chicago, to expedite delivery of freight in less than carload lots.

Vault-like compartments, built to occupy one-third or one-sixth the floor space of a fifty-foot freight container car, or one-ninth the floor space of a sixty-six-foot express car, are loaded at the warehouses of shippers, transported by motor trucks to the railroad yard, there lifted by crane to the freight or express car and secured by hooks and steel guides for the next stage of the journey.

Arrived at their destination, the compartments are lifted by crane to motor trucks, rushed to the doors of consignees, unloaded and then returned to the railroad cars either light or reloaded.

Elimination of rehandling saves time and money at the shipping end by reducing the number of truckers and clerks required and by removing the need of elaborate and expensive crating. At the receiving end the freight may be unloaded immediately, eliminating the item of drayage, releasing freight cars, clearing tracks of idle cars and reducing congestion at freight station platforms.

Container cars are of two types, one designed to carry express, the other freight. Each of the nine compartments of the express car type has a capacity of three tons. The freight train type of car carries compartments of two sizes and can accommodate two large and two small removable sections, one large and four small, or six small. The capacity of the small section is 3,500 pounds; of the large, 7,000 pounds.

Besides being fireproof and weatherproof, the steel compartments have been made burglar-proof. The door of each compartment is at one end, and the compartments are placed upon the car end to end. Even if a door could be unlocked, nobody could open it without first hoisting the whole compartment above the rim of the steel bulkhead into which it fits.

One of the fields of potential usefulness for the express type of container is the United States mail service. Container car service has already been tried out in the shipment of magazines and newspapers from New York to Chicago. One express car, its nine compartments filled with mail, left New York at 5 a. m. one day and arrived in Chicago at 8 a. m. the next.

The first trial freight shipment between Chicago and Cleveland consisted of groceries dispatched by Reid, Murdock & Company to their Cleveland branch. Loading of the compartments required a little less than thirty minutes. Placing each compartment upon the freight car took from five to six minutes, and from three to eight minutes were spent at the other end in transferring the compartments from freight car to motor truck.

Returning from Cleveland to Chicago, one compartment carried storage battery parts; another contained paint, and a third carried dental gas in crated cylinders.

Every article shipped reached its destination in first-class condition and in the same position in which it was placed at the shipping point.

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Say It With Pictures

For Visualizing Ideas and Recording Data, Industry Finds The Photograph an Ideal Teacher and a Faithful Recorder

By E. W. Davidson

THE COMMON, ordinary, old-shoe variety of photograph needs a press agent. The blaze of verbal glory with which the "movie" has been ushered into industry seems to have obscured the humble photograph as it won distinction from one end of industry to the other.

The use of the photograph has been broadening quietly until today pictures are helping to hire workers; helping to teach them their trades; aiding in the assembling and stockkeeping of goods; in standardizing methods of packing shipments; in safety and Americanization work; in keeping office and laboratory records—the range of their possible utility is almost limitless.

The photograph is made in all-day exposures or in single millionths of a second—the fastest photography known. It is bromided or blueprinted or photostated in quantities from single artistic prints to hundred-thousand-copy lots. It is a teacher, a systematizer, a labor saver, a detective and a defender at the bar of justice. Of all the employees of an industry, from president to apprentice, it is the only one that cannot make a mistake.



This method of packing glass rectifier tubes was devised in an eastern factory. By means of photographs like the one from which this illustration was reproduced, the method was taught to packers in the company's branch plants

In one great eastern factory the use of the camera begins when a man applies for a job. Suppose he has been accepted tentatively by the labor interviewer. Downstairs he goes to the physical examination room, where he strips and passes one test after another until he arrives at the eye test.

"Take that chair," says the doctor. "Now read the second line in that chart across the room."

"P, x, z, h, s, w," recites the applicant, looking intently straight ahead.

The examiner has been standing six feet away beside a waist-high post on which is mounted a contrivance resembling a fare-box. While the applicant is looking ahead the examiner presses a little lever in the box. The applicant doesn't know it, but that flip of the lever made a full-face photograph of himself on a strip of film. The camera in the box is always trained on the chair and is always ready, hence the operator need not go into hiding under a black sheet, and the subject does no looking-pleasant-please.

"Now tell me what color those discs are, there on the side wall," says the examiner.

The applicant turns to see. "Plink!" goes the lever in the box, and a profile of the applicant is also photographed. It is as easy as that, and as inconspicuous.

AFTER the examination is passed the applicant is told to come back the next day prepared to go to work. When he arrives he is directed to his proper shop.

But please notice that there is necessarily a gap between the examination and the job. Assume, for the sake of argument, that the man who wanted the job knew in advance that he never could pass the physical and mental examination. Possibly he is diseased. He might easily induce some sound specimen to pass it for him under his name. Then he might take the O. K'd examination card and report for work. He might even hold the job were it not for one small thing—a picture made by that fare-box camera.

That picture goes to the foreman in advance of the new man's arrival. Before that man can pick up a tool or throw a starting switch his face must line up with the picture—and make good.

A plan has been worked out to make these pictures still more useful. Behind the chair stands a black frame into which slide white-lettered strips. Before the applicant is seated a system of symbols is inserted in the chart, symbols that indicate the man's height, weight, age, nationality and so on. The pictures thus become not only facial records but also personal histories. This grouping of face and fact on a single two-by-two inch negative greatly simplifies the confidential file.

A section superintendent in a big machine plant recently called in a foreman just after the close of the day's work.

"Jim, we've got to lay off ten of your men temporarily," said the superintendent. "Here's your list of names. Which ten are least valuable?"

The foreman looked at the list of Czycks and Pizazzas and Onoratorios and Pappafrangos and was helpless.

"I don't know all them fellows by their right names," he confessed, "and I'd hate to make any mistakes."

Out came a file of little pictures of all the men. The foreman's troubled expression vanished. In three minutes the ten men were chosen.

One of the men to be laid off was a certain Paul Niemczski. By a coincidence another session was being held in the headquarters of the industrial relations division of that same plant at that same hour over one of the same pictures.

A man representing a detective agency was sitting in the private office of an officer of personnel.

"I guess my man's here all right," the detective said. "It's been a long hunt. You say he lives at 42 John Street? Let's see; how do I get there?"

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"Now wait a minute," replied the other. "Don't go there at all until we finish checking this thing up."

"Well, your record shows his name is Paul Niemczski." The detective was comparing the factory file card with his penciled notes on the man he was seeking. "And he came from Poughkeepsie and he's a machinist's helper, about 33—that's only a couple of years off. What more do I want? It's close enough for me."

"Well, it isn't close enough for me," said the company official; "we've had other Niemczskis in this works before, and I think that at least one other came from Poughkeepsie. Wait until I get out this one's picture. I've seen pictures distinguish positively between men who looked like twins—on the records."

Out came the little two-by-two photos of Paul Niemczski. Compared with the detective's photograph of the man he wanted, the two-by-two's were decisive. The trail had led to the wrong man. Paul Niemczski was laid off, but he was spared the added distress of having to prove himself innocent of another Paul's crime.

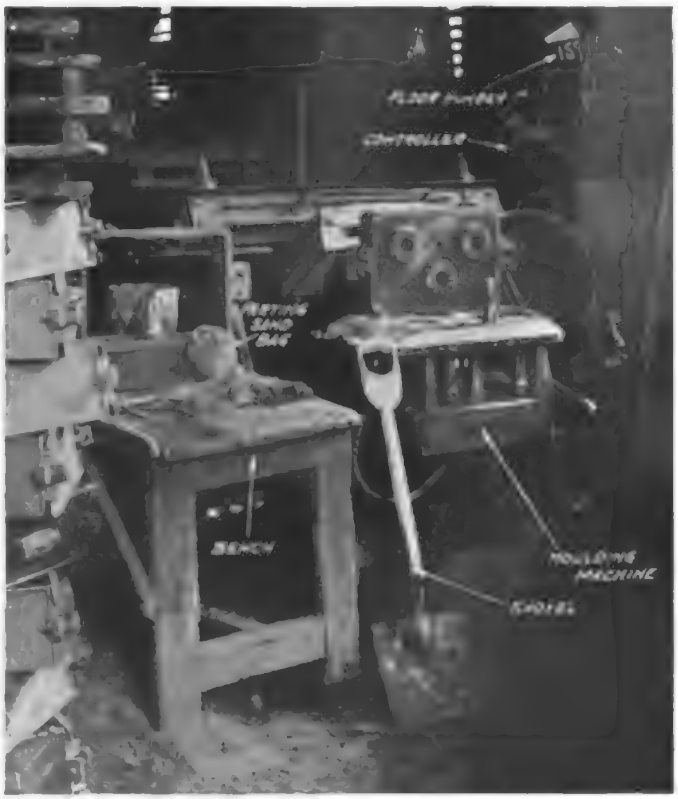
"Things like that happen here every once in a while," said the personnel officer afterward. "You can't deny that a big plant is a good place for a criminal to duck into when he wants to hide. So of course we are sometimes called on to connect the law's long arm with a guilty man or to protect an innocent one, just as the pictures did in this case.

"You'd probably be surprised how many times these pictures help to make more cheerful connections. Frequently some mother or father or brother comes to us and asks if so-and-so is working here. We look up the name. Maybe we have something that sounds like it, but differs slightly in spelling—you know the most conscientious foreigner can't always spell his name right in English. There is a confusion, of course, until the pictures come into view. They have brought about many a happy reunion."

So much for the part that pictures play in getting men safely into a factory's service and keeping them there safely. Its service, however, has only begun. In production, too, the photograph figures.

Consider, for example, a shop that turns out a series of switches, circuit breakers and other small and medium-sized control apparatus for electrical machinery. This shop adopted a system of progressive assembly that put every job either on a small car running on rails through an assembly room or in a rolling frame that hung on the edge of a long continuous assembly bench and traveled from man to man down the line.

It was necessary to change products frequently so that one week the room would be turning out switches; the next, circuit breakers, and so on. This continual change slowed up production. There was no doubt about it. For two or three days after each change workmen seemed unable to get up to top speed. Labor turnover at that time was high and new people were being broken in almost every day. One slow man in the line naturally checked those beyond him.



Labeled pictures quickly give the foreign-born worker a vocabulary of the tools and machine parts with which he works

"Finally I had to put a sample of the device in each stage of production in front of each station in the circuit," a section head relates. "This expedient worked a hardship, however, because it kept forty-two of the devices tied up all the time as models and we needed all we could possibly turn out to fill orders.

"Somebody suggested pictures. So pictures were made and tacked up. They really helped a lot at the time, and they do yet."

Another great company using the progressive method of assembly found pictures of real aid when it set up a system in three new plants in different cities. So much dispute arose between installing engineers when the first new plant was equipped, and so much correspondence passed between the branch and the home office that a complete and detailed set of photographs of the whole system was taken and used to bolster up drawings and written description. As a matter of fact, these pictures made the diagrams and descriptions almost useless because they promoted speed and accuracy in installing and operating the system in each plant.

Settling disputes over systems, however, is not the photograph's only contribution to standardization. It helps to standardize the product itself. A concern that makes a number of instruments of different sizes in sheet iron and japanned cases, and that prides itself on the fact that anybody anywhere will recognize any of its goods by their graceful shape, expanded its line and its plant to such a point that variations were continually creeping in. These variations were stopped by an expensive system of supervision until somebody in the company suggested that every product be photographed from four different angles. The photographs were bound into folders, and a copy of the folder was placed in the hands of each person responsible for production. The desired standardization of pattern was achieved at a cost of 2 per cent of what the company had been paying for supervision.

Another company uses pictures to keep the concern's varied and ever-growing line better fixed in the minds of all executives. It conscientiously photographs every new product and every change in design. These pictures are printed up in quantities and carefully circulated first to department heads, then to section heads and finally to foremen.

Even the wage-rate setters get complete files of these photographs to aid in determining rates for each assembly process. Their chief explains this use of pictures thus:

"Men who set rates ought to have every available bit of information about a product, for the cost of production depends largely upon their success in figuring. Of course we get blueprints and specifications, but you've heard that old wise crack about one look being worth a thousand words? Well,

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Merchants on Wheels

Seventeen Partners in a Chattanooga Grocery Business Drive Their Stores to Their Customers—and Make It Pay

By George T. Clark

FRANK MACDONALD sat at his desk and figured the thing out. He aimed merely at the solution of one of the problems of retail grocery management—the problem of delivery. He solved his problem. At first he may have thought that he had accomplished only that. But his solution, as a matter of fact, introduced into the retail grocery business not merely a new method of delivering goods, but a new method of merchandising groceries.

It was on an afternoon in October, 1919, that this Chattanooga merchant sat at his desk and figured. First, he sized up his problem in retrospect. His business had grown from a single red-fronted grocery store to a string of red-fronted stores that threaded all of Chattanooga. To supply these stores he had established a wholesale department; his salesmen were traveling "the road" out of Chattanooga; his business had climbed into the million-dollar class.

But still there remained that problem of delivery for the retail stores. Rather, it was a problem that, after an absence for a space of time, had reappeared. When the war had come and when all business had buckled down to the job of helping win the fight, the MacDonald stores had told their customers: "We shall dispense with deliveries and send our horses to the farms where they will work in the fields and help grow foodstuffs." But when the war had ended, the customers had said to the MacDonald stores: "We want our deliveries back."

Thus it was that the head of the million-dollar MacDonald business sat at his desk in his wholesale building in Chattanooga until long after dark on that day in October, year before last, and figured. And coincidence stepped into the situation and pointed the way to solution.

In the gathering dusk a motor truck rolled up in front of the MacDonald Building on Market Street and stopped. MacDonald glanced out through his office window. The truck was one of his own—a two-tonner. It was loaded with groceries.



"They come to buy what they will need for lunch and for dinner and for tomorrow morning's breakfast"

On that day the Tennessee State Fair, held in the outskirts of Chattanooga, had closed. MacDonald had had an exhibit at the fair—a replica of one of the red-fronted stores, completely stocked. The fair over, MacDonald men had dismantled the exhibit, loaded it on a motor truck and conveyed it back to the MacDonald warehouse. There, in front of the wholesale building and under the window of the boss of the business, stood the truck.

A whole grocery store—not a "model" store; not a plaything put together for the purposes of exhibition, but a full-sized store with a full line of goods—all on a two-ton truck! There was the germ of the idea.

"I sat right here at this desk," MacDonald told me, "and I figured around that idea of a fully stocked grocery store on a two-ton truck—a rolling store. I figured, I reckon, blamed near all of that night. And I didn't let go of that idea until I had put it into execution. Four days later we had our first rolling store on the streets."

There are tiny wrinkles about the eyes of this tall, grey-haired man, MacDonald, this man who "went broke" once in his business career, who worked behind the counter of his first red-fronted grocery store back in 1908 and himself "rang up" its first day's receipts, eight dollars. Those wrinkles are smile tracks. He smiles, frequently, and chuckles over the humor of events and episodes that weren't at all funny when they happened. His smile broke out when he told of that first rolling store.

"'Twas a funny looking thing," he said. "We got the body from a fellow that makes soda crackers and had been using it to haul his product. We rebuilt it. Anyway, we tried to rebuild it. But our design, experience showed, was all wrong. So we hauled the queer-looking thing back into our carpenter shop and rebuilt it all over again."

That rebuilding went on. Experiment followed experiment, always to the end of materializing, efficiently, that original idea of a rolling grocery store, completely stocked. The original unit of one truck grew into a little fleet of rolling stores. But still the rebuilding continued. Truck bodies were designed, assembled, tried out, torn apart and redesigned. The MacDonald carpenter shop became a body-building plant wherein a gang of workmen sawed and hammered and experimented the livelong day.

Once it seemed that out of the throes of creation there had evolved the perfect creature—a twelve-foot truck body whose interior arrangement took the fullest advantage of every square inch of available space. But the creators, it developed, had builded better than they knew.

"We loaded that truck with groceries and sent it out," MacDonald related. "But in half an hour we had to go and

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gather up the pieces. You see, we had used up the space at the head end so well that we had blindfolded the driver. The first thing he did was to drive into a collision. We started all over again."

So for more than a year and a half the experimenting went on until finally the experimenters attained, not perfection, but standardization. Today the seventeen rolling stores that carry MacDonald merchandise and MacDonald merchandising to the homes of Chattanooga are alike. Their bodies are of the same size and shape and general interior design. Their next development is to be longitudinal, a lengthening from twelve to sixteen feet. But this development must be preceded by a similar lengthening development in the truck chassis; and the maker of the truck is at work on that. Eight new rolling stores soon to be added to the present MacDonald fleet of seventeen will ride on longer wheelbases and their bodies will be four feet longer.

As to interior arrangement, the seventeen rolling stores now in the MacDonald service are simplicity itself. An aisle-way runs through the center, and on each side, from floor to roof, this aisle-way is flanked by shelves and bins. A weighing scale adjusted to any position that the truck may assume, a cash drawer, a bell rope with which to signal the driver, and, under the hood up forward a distinctive whistle that is blown by the exhaust of the motor—these are the special accessories.

As to outside appearance, too, the rolling stores are alike. Each is painted a distinctive and copyrighted combination of colors—mostly a brilliant red—and each displays its distinctive and copyrighted name: "Roly Redy."

A driver on a MacDonald Roly Redy is a driver—just that and nothing more. His business is to drive the truck, and in the performance of that function he takes orders from only one individual. That individual wears a red shirt, a white apron over his trousers and a white cap, and he rides inside the truck. That red-shirted individual isn't a delivery boy. He may be youthful in appearance, and generally he is, but he is a store manager, a merchant. He is a retailer on wheels. He is the proprietor of the rolling store in which he rides. He alone is responsible for the mercantile fate of that store. If it fails, he is out of a job; if it succeeds and prospers, he gets half the profits.

Take a specific case. An ambitious young man, with some training in the grocery business and with a liking for a moderate amount of travel while he works, aspires to become the manager—one is tempted to call him the skipper—of one of those Roly Redys. He needs no capital, aside from cleanliness in his habits and personal life, a willingness to work and that degree of native resourcefulness that will guide him around mercantile obstacles while his driver steers the store. He sees MacDonald and signs up. He risks his time and his energy and maybe his pride against MacDonald's investment in the truck and stock. Then he climbs into his red shirt, ties on his white apron, stocks his shelves with a couple hundred dollars' worth of groceries, gives his driver "two bells" to go ahead—and embarks on his perambulating business career.

His territory has been defined. It will consist of a section of residence district situated, on the average, two or three miles from the base of operations. Arrived in his territory, he will begin cruising the streets. In the middle of each block his driver sounds that distinctive whistle, kicks out the clutch and brings the store to a stop, while the red-shirted manager inside prepares for customers.

THE customers come. The women folk of Chattanooga know that whistle. Also, their children know it. Roly Redys all carry a certain kind of confection known, in the technical terminology of children, as an all-day-sucker. It sells for a penny. Most mothers nearly always have pennies in their apron pockets and almost any mother can be inveigled, nearly every day, into spending at least one of those pennies for an all-day-sucker. Experience in Chattanooga has demonstrated the psychological fact that all that is necessary to establish in any juvenile mind the fascinating association between the sound of a Roly Redy whistle and the taste of an all-day-sucker is just the first trip of a Roly Redy through the neighborhood in which that juvenile mind lives and has its busy being. And so customers come.

They come to buy what they will need for lunch and for dinner and for tomorrow morning's breakfast. They come, too, to look into the matter of bargains. Every Roly Redy carries on its side a sort of glorified bulletin board, on which is kalsomined, each day, certain special prices in sugar, or soap, or rice or brooms or whatnot. Besides, the MacDonald advertising in the newspapers each day deals in prices; in such things, for instance, as a ten-cent block of ice cream and a ten-cent loaf of cake to be sold, together, for the price of ten cents. Every MacDonald store, stationary or on wheels, carries those daily "specials." But usually, so experience has shown, the Roly Redys will not carry them far.

With his customers that Roly Redy manager will be an exceedingly busy young man all day long. Some of his patrons may ask for special things that he doesn't happen to have in stock—a dust mop, for instance, or a washtub, or a bottle of castor oil. "Yes'm," he says to each of these, "I'll fetch it out tomorrow." But he doesn't trust to memory; on a printed list, specially devised and alphabetically arranged to start with apricots and proceed through the grocery alphabet to washing powder, he makes a note of the special request. Then he pulls the bell-cord twice and, with his store and driver, he rolls ahead to the middle of the next block.

It is late afternoon when, tired but enthusiastic, and having covered five or six to eight or nine miles, he closes the door of his store, leaves his territory and rolls back to the combination of stockroom and garage that is the base of operations for all the Roly Redys. His truck takes its place in line in the big garage and he takes his pencil from behind his ear and makes up his "want list" for the following day. The "want list" is that same alphabetical line-up of grocery articles on which he has been making notations all day. From apricots to washing



All ready to do some rolling

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Getting out a day's stock for the Roly Redys

powder he now fills out and completes his list. His itemized requisitions will be small—a half-dozen cans of this, a dozen bars of that, fifty or a hundred pounds of something else—but it will be complete. With very few exceptions it will include the merchandise for which he will have demand on the following day. He makes his list in duplicate; one copy he keeps and the other he turns over to the stockroom superintendent.

Then follows a job that calls for speed. At 7:30 the next morning that rolling store must be stocked with groceries and ready to roll out to its territory. So, too, must sixteen other rolling stores. To stock them all between 3 or 4 o'clock in the afternoon and "quitting time" in the evening there must be system and teamwork. The stockroom superintendent and his helpers have both.

In the first place, the stockroom itself is organized. It carries no great quantities of goods, for that is the business of the MacDonald warehouse. But the stockroom must carry the goods that the rolling stores will need and it must carry them in such fashion that they will be readily accessible. Shelving runs around three sides of the big room. The shelving is divided into compartments, each of which is dedicated to a certain grocery article, and they are arranged in order as are the articles on the "want list"—alphabetically, from apricots to washing powder.

A stock clerk, armed with the "want list," makes the round of the shelves. He takes out of the compartments the half-dozen cans of this, the dozen bars of that and the fifty or hundred pounds of something else and sets them on a ledge that runs along the front of the shelves. Then he and the superintendent bill the goods. As the clerk calls out each item in its alphabetical order the biller, with the "want list" before him, checks the item, prices it and figures the extension. Then the canned goods and the soap and the dust mop and the castor oil and the flour and all the rest of the day's supply of goods for that truck are transferred from the ledge to a hand truck and thence to the shelves and bins of the Roly Redy in its stall out in the garage.

MEANWHILE that red-shirted manager is making his day's report to the main office. He reports his day's receipts—his sales. He reports his day's expenses—for gasoline, oil, driver's wages, incidentals. He has been charged on the books with the goods he took out in the morning. He will be credited with his day's expenses and receipts. The difference between his debit and his credit will be his day's balance, entered every day on his individual account in the ledger. For his first day that balance will be against him; he will owe the "company." But on the following day he will gain, and on the day following that and on the fourth or fifth or sixth day he will have caught up; he will pass the point at which he owes the company and the company will begin to owe him.

Thenceforth, as long as he continues to gain, he will continue as a MacDonald partner. He will have a drawing account. Every six months, at inventory time, the company will settle with him in full.

Meanwhile, he will have become a specialist as a merchant on wheels. He will have learned his route, which means learning his customers and their wants. He will have learned to anticipate their wants. He will have learned to use his ingenuity in merchandising.

"Personality," the head of the MacDonald institutition told me, " is just about everything in this business. Personality counts for more in the grocery business, I suppose, than in any other business on earth. The boys on the Roly Redys seem to succeed in proportion to the extent to which they can make their business personal between themselves and their customers. Of course, they've got to use their heads and they've got to work. But it's the personal touch that counts most—learning how to be nice to people and then *being* nice to them. In that particular, the managers of the Roly Redys have an advantage over the managers of our stationary stores; for the boys on the trucks, by going into neighborhoods, get closer to the people."

Individually, those red-shirted boys on the Roly Redys are making money. Their ledger accounts prove that, and further proof lies in the fact that they continue to wear their red shirts and manage their rolling stores. But are the trucks making money for their owner, the man with the smile wrinkles? He went into that question, went into it fully and showed the figures.

A motor truck consumes money in two ways, only one of which is easily visible. It uses gasoline and oil and repairs and driver's wages in its operation. But it absorbs capital, invisibly, in its depreciation.

Every day each Roly Redy manager reports his operating expenses. Operating expense is something for which he is credited; he doesn't forget to report it. But to this, if the truck's real story is to be known, must be added that invisible source of expense—depreciation. For all the MacDonald Roly Redys it has been agreed between MacDonald and the managers that depreciation shall be charged at the rate of $50 a month on each truck. It is further agreed that this charge for depreciation shall be deducted from totals of sales to arrive at the matter of profit, which is to be split fifty-fifty. And the ownership of the truck, of course, remains with the company.

Now for a few statistics. In the MacDonald records is a summary of the affairs of ten of the rolling stores. The ten trucks have been in service for different periods of time, but in its totals and averages the summary represents the work of ten trucks for one year. The youngest of the ten, when the summary was made up, had been in service for seven and one-half

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Group Buying—Yes or No?

By Albert E. Mead

THE MERCHANDISE MANAGER of a big department store in the Middle West smilingly looked up from the order a road salesman had just handed to him for confirmation.

"That buyer is a good judge of values, but a bad picker—isn't he?" was his comment.

"I don't quite understand," said the salesman, slightly perplexed. "Do you think the order too large?"

"No; the order is all right, so far as the amount of money is concerned, but the selections are not up to date."

"How can you tell that when you haven't seen the merchandise?" demanded the other, somewhat ruffled. "That stuff is as much up to date as any other line on the market."

"Sit down—sit down," said the merchandise man. "You don't get me at all, I see. I am casting no reflections on your goods, young fellow; I am simply criticizing the way our buyer has made his selections from the different numbers in your line.

"Cast your eyes over that order," he went on, tossing the sheets across the table. "Please count the different items the buyer has selected. How many numbers are there in this order?"

"Twenty-seven," said the salesman, after a quick count.

"Exactly. Now, how many different prices are represented in those twenty-seven numbers?"

"Nineteen," after another count.

"Right! Now if you will notice, you will also find that the quantities of each number are relatively small—quarter dozens in the higher-priced items; half dozens in some others, single dozens in many instances, and only three dozen of any one number—and that is in low-end goods.

"During the war it was good business to buy that way; we simply had to have a large number of styles and prices in order to afford large selections. In those days a woman would come into the store and ask to see merchandise like this. If she didn't express a preference as to price, the salesperson would naturally show something at random. Nine times in ten the customer would remark: 'Is that the best you have?' and she'd shop on up through the stock until she found something that pleased her and at the price she wished to pay. That was why we had to have a large variety of styles and prices—people were not looking for bargains, but were buying without regard to price. It was a matter of personal preference in selection—not a matter of price, as you know.

"But today—well, you know yourself that business is not coming as easy as it did in those days. We all have to do something unusual to get the crowds coming and to maintain our volume. The way to do it—one way, at least—is by group buying and group selling."



Advertising the group

"Group selling!" echoed the other. "You mean that several stores have a common buyer and—"

"No, no!" interrupted the merchandise man. "I don't mean co-operative buying at all. There is all the difference in the world between co-operative buying and group buying. For instance—but here, give me that order again and I'll show you!"

"Now, look here," he went on, running his pencil down the order sheets. "This order, for instance, calls for one dozen No. 2531 at $9; three dozen 2582 at $10.50 and one and one-half dozen No. 2644 at $12. That makes a representative group. But there are only five and one-half dozen articles in those three items—and at three different prices.

"If we take these items as listed here and advertise them, we would not have enough of any one number to make a sale—don't you see? That's no way to get a crowd into the store. People are looking for lower prices these days, and they want 'bargains.'

"Now suppose we take these same three numbers, but arrange the quantities differently. Let us say we take seven dozen at $9, five dozen at $10.50 and three dozen at $12. If we average the price, we find it is $10.10 on the entire fifteen dozen.

"We will do the same with other groups of your merchandise here, eliminating some numbers, increasing the quantities on others, and thus arrive at the same result, so far as the value of the order to you is concerned, but we may have five groups, with fifteen prices, instead of twenty-seven prices as the buyer has in his original selection here.

"Going back to our first group, if we take these fifteen dozen articles at an average price of $10.10, and mark them up 33⅓ per cent, we find we can sell all of them at, say, $1.29 and make a fair profit. We can advertise fifteen dozen, instead of making separate offerings of the three numbers at three prices, and make a noise about this 'group.'

"You see how easy it will be to make four groups out of this order—one to sell at $1.29, one to sell at $1.49, one to sell at $1.95 and one perhaps at $2.49.

"That's what I mean by group buying and group selling—buy several numbers at an average price and sell them on the same basis. That makes a bigger showing; it gives opportunity for a special sale; it enables us to say, in effect, to the women of this city, something like this: 'Here you are—a special sale of much-wanted merchandise. Come and take your pick from dozens of styles, hundreds of patterns—on sale in four great groups Saturday at $1.29, $1.49, $1.95 and $2.49.

"Now, you take this order back to that buyer and help him figure out the same amount of merchandise in groups as I have shown you, and I'll O. K. your order for immediate shipment."

The salesman did so. And on the remainder of his trip he did a great

(Continued on page 52)

The Credit Man Sees the Books

By Providing Members With the Credit Records of New or Doubtful Customers, the Credit Interchange Bureau Prevents Many a Loss

By Benjamin E. Cushing

IT IS SAFE TO ASSUME that every business man realizes that today, in general business conditions, he faces a new order of things. To no one individual in all the organization of business is this truth more apparent than to the credit man of a business concern that sells goods to other concerns.

In the war period, with prices skyrocketing and with inventories expanding in value almost hour by hour, the credit man's customers made money and prospered and discounted their bills almost in spite of themselves. It was next to impossible for a customer to fail. There was no collection problem worthy of the name.

But the war is over. Prices have dropped. The days of easy money are past. The selling forces of the credit man's customers and of his own concern are attacking a buyers' market, and that means a reluctant market. Policies and practices that were standard in the halcyon years of 1917 to 1920 today may be obsolete. As individual concerns strive to adjust themselves to the new conditions, credits swiftly change their complexion.

A customer that sixty days ago discounted all his bills may be unable today to meet his obligations when they fall due; another that looked doubtful two months ago may have learned his lesson and today may be worthy of trust. How is the credit man to keep himself informed? How is he to size up the character of stranger concerns that come to him as new customers? How is he to keep tabs on the changing fortunes of the customers already on his books?

The credit man knows human nature. He knows that, even in normal times, certain customers cultivate their credit with certain houses in order that they may use those houses as references for credit from other concerns. He knows that a firm may pay promptly in its own particular line, to the end that the trade agency in that line may speak highly of it, but that that same concern may be slower than poetic justice with those of its creditors outside that line. He knows that a firm, suddenly become overzealous in buying, will begin placing big orders outside its usual buying territory, and, by overstocking itself, endanger the accounts of all its creditors. The credit man knows that any of these contingencies can arise in the affairs of one of his customers; that in these unusual times it can arise with an amazing spontaneity—and that possibly he will not know of the unhappy circumstance until after it has happened.

MANY a credit man has said to himself, "if I only could see the other fellows' ledger accounts on these same customers!" By the "other fellows" he means, of course, the other concerns that have sold and are selling these same customers.

Through its credit-interchange system, the National Association of Credit Men is endowing the individual credit man with the vision by which he may see into the other fellows' books. He may see what experience other concerns have had and are having with his own customers, old and new. He may see the experiences not merely of concerns in his own line of business but of concerns in all lines that sell those customers. Lawsuits over fuel bills, unearned discounts exacted from a printer, the unwarranted return of office supplies—these are symptoms that, to the credit man, are just as significant as are the signs that arise from transactions in raw materials or merchandise. Here, in this all-inclusive panorama of experience spread before the eyes of the credit man, is no mere array of hand-picked references, no glossing-over of unpleasant details, no omission of unfavorable facts. Here is a picture of the customer's dealings; of all his dealings. And the picture is unprejudiced and complete. Now, how is it made?

Represented in the membership of the National Association of Credit Men are 35,000 business concerns. There are local associations in 130 cities. In seventy of these 130 cities are bureaus for the interchange of information among association members. It is the local bureau that is the nucleus of the system of credit interchange, the local bureau operating for the benefit of its local members and for that purpose co-operating with its fellow bureaus in other cities and with a central bureau in St. Louis. Throughout the system, in all the local bureaus and in all the details of operation, methods and record forms have been standardized. Thus a description of the operation of one of the local offices and of its relations with the central office in St. Louis typifies the entire system.

Assume that the local bureau in Cleveland is just

SUBSCRIBER'S INQUIRY TICKET

CREDIT INTERCHANGE BUREAU
NATIONAL ASSOCIATION OF CREDIT MEN
The Cleveland Association of Credit Men
320 ENGINEERS BUILDING
Main 3471 CLEVELAND, OHIO Central 3471

No member shall request a report unless he has a current account with, or an application for credit
Please secure a report on: Date 1/18/21
Name John Smith & Co. Business Dept. store
City Youngstown State Ohio
Street No 111 West 11th Formerly located at
Also uses style Successor to
Our experience as follows: REPORT AMOUNTS IN DOLLARS ONLY. First Order $ Date of Last Sale

HOW LONG SOLD	HIGHEST CREDIT	AMOUNT OWING	AMOUNT PAST DUE	UNFILLED OR FIRST ORDERS	TERMS OF SALE	MANNER OF PAYMENT Discounts	PAYS When Due	DAYS SLOW	COMMENTS
2 yr	4000	—	—	—	—	—	—	—	all bills up to present time but on discount they now owe us nothing. The account

COMMENT: Place X in front of answer. USE CAUTION however as far from satisfactory

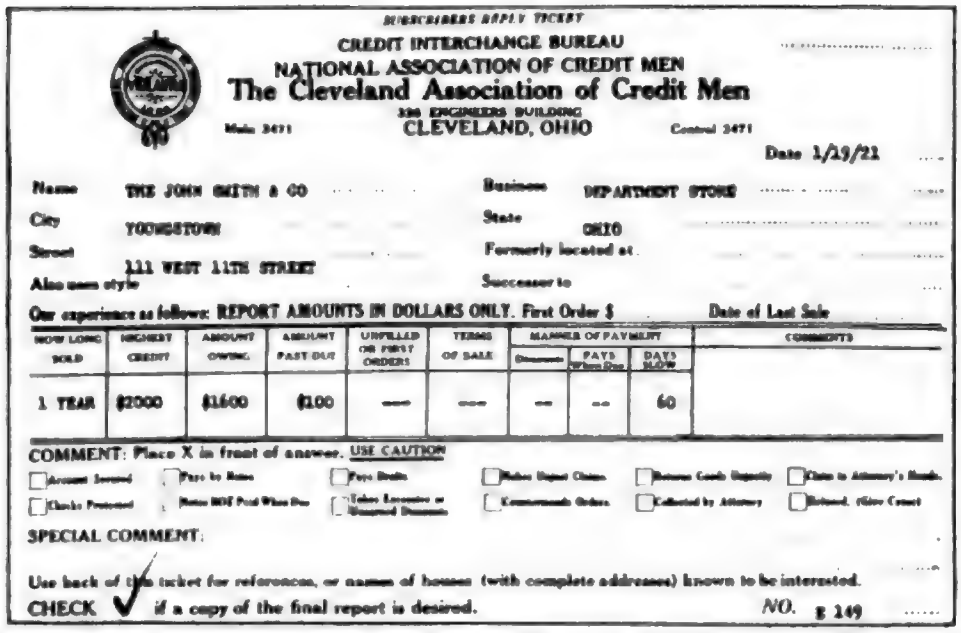
SPECIAL COMMENT: Inasmuch as they are very strong on returning goods and also on making claims we feel to be unjust

Use back of this ticket for references, or names of houses (with complete addresses) knowing to be interested.

CHECK WITHOUT FAIL: ☐ Send us the first or preliminary reports. ☐ Send us *ONLY* the completed report. NO. C 57

A sample of the Subscriber's Inquiry Ticket. It shows Subscriber C57 asking for a report of the experiences of other firms in dealing with John Smith & Co.

being established. The Black & White Company, of Cleveland, manufacturing paints and varnishes, becomes a member. The company's credit manager is asked to file with the bureau a list of his current customers, listing them, if he finds it convenient, on three-by-five cards, with one name and its address on each card—just that and nothing more. The list goes in to the bureau office.



SUBSCRIBERS REPLY TICKET

CREDIT INTERCHANGE BUREAU
NATIONAL ASSOCIATION OF CREDIT MEN
The Cleveland Association of Credit Men
336 ENGINEERS BUILDING
CLEVELAND, OHIO

Main 2471 Control 2471

Date 1/19/21

Name THE JOHN SMITH & CO Business DEPARTMENT STORE
City YOUNGSTOWN State OHIO
Street 111 WEST 11TH STREET Formerly located at
Also uses style Successor to

Our experience as follows: REPORT AMOUNTS IN DOLLARS ONLY. First Order $ Date of Last Sale

HOW LONG SOLD	HIGHEST CREDIT	AMOUNT OWING	AMOUNT PAST DUE	UNFILLED OR FIRST ORDERS	TERMS OF SALE	MANNER OF PAYMENT: Discounts	PAYS When Due	DAYS SLOW	COMMENTS
1 YEAR	$2000	$1600	$100	----	----	---	--	60	

COMMENT: Place X in front of answer. USE CAUTION
Account Invoiced | Pays to Rules | Pays Drafts | Makes Unjust Claims | Removes Goods Unpaidly | Claim in Attorney's Hands
Checks Protested | Rules NOT Paid When Due | Takes Excessive or Unearned Discounts | Countermands Orders | Collected by Attorney | Refused. (Give Cause)

SPECIAL COMMENT:

Use back of this ticket for references, or names of houses (with complete addresses) known to be interested.
CHECK ✓ if a copy of the final report is desired. NO. E 149

A sample of the Subscriber's Reply Ticket. It shows Subscriber E149 sending in his information in reply to the inquiry of C57

In the bureau the Black & White Company has been assigned a code designation, known only to the office workers in the bureau. This designation is typed on each of the Black & White customer cards. Thus, in the case of each card, it is established that the concern named on the card is a customer of the Black & White Company.

Next, with the lists that have come from the other bureau members, the Black & White cards are consolidated, by eliminating duplicates and by concentrating code numbers on individual cards, into a master list that goes into an alphabetical file. Thus, if it happens that John Smith, of Youngstown, is buying from two houses in Cleveland, John Smith's card in the file will show two code numbers, identifying those concerns; if he buys from ten Cleveland concerns, his card will show ten code numbers.

For reporting the names of new customers taken on in the course of business, each of the bureau members is provided with forms for supplementary reports; and these reports are filed with the bureau weekly. Thus the master list is built up and thus it is kept up to date.

The primary function of a credit man, however, is not the giving of information, but the getting of it. He has an insatiable appetite for facts. The Black & White Company encounters a stranger, a prospective customer, who has sent in an order for paints and varnishes and asks for credit. Who is this stranger? What sort of business man is he? Can he be trusted? The credit manager of Black & White applies to the local bureau for information. He fills out a form called an "inquiry ticket." Into the form he writes the name and address of this new prospective customer and the amount of his order. Not always, however, is the inquiry inspired by the appearance of a new customer; sometimes an old customer, hitherto well-behaved, begins to show signs of going wrong; maybe he has been discounting all his bills, but takes suddenly to returning merchandise and making wild claims for adjustments. In such a case the credit man, anxious about the condition of the customer, writes into the inquiry ticket the story of his own experience with the account. Then he mails the ticket to the Cleveland bureau.

THE bureau first consults its file of reports. It may be that this same customer has been investigated recently. If there is no report on him, or if the report is more than sixty days old, the bureau starts a "clearance." The first step is to consult the customer list. Probably this customer already has been reported as buying from another concern, and so has a card in the file. His card, with its code numbers, will show the concerns from which he has bought. To each of these concerns the bureau sends an inquiry. For this, again, there is a set form, a form known as the "subscribers' reply ticket" that gives the name of the customer, his address and his line of business, and provides a space for the concern's report of its experience with the customer.

Now a bureau member receiving one of those tickets knows two things: He knows that the customer involved is one of his own customers, and hence, that he has information concerning that customer; and he knows that if he sends that information to the bureau he will be entitled to a copy of the new report on that customer. Maybe the mere fact that somebody is inquiring concerning that customer of his excites the credit man's curiosity. Anyway, he is always prompt about telling what he knows. He specifies; he reports how long he has sold the customer, what credit limit he has imposed on the account, how much the customer now owes and how much of that is past due, the customer's unfilled or first orders, the terms of sale and the customer's paying habits—whether he discounts; pays when his bills are due; or permits his obligations to lapse, and for how long. To all this information, which he enters on the inquiry form, the credit manager may append some explanatory comment of his own. Then he mails his reply to the bureau.

In the bureau office, with the replies assembled, a typist compiles a report of the "clearance." In this, as in every detail of operation in the system, the standardization of forms makes for speed and accuracy. The first column on the reply form, for instance, is headed "How long sold," and so is the first column for ledger information on the typist's report form. Next comes columns for "Highest credit," "Amount owing," "Amount past due," and so on across the sheet into the details under "Manner of payment" and to "Comments." Thus drawn off the reply tickets and thus complete in its local stage, the report is mailed out to the bureau member who inquired concerning the customer and to the other members who contributed information.

Thus, the inquiring credit manager gets his first report, generally in less than forty-eight hours, on the credit character of his prospective customer. But it is only a local picture. This same customer may be buying goods from concerns in Ohio outside Cleveland, and from houses in Chicago, or New York or Philadelphia or Grand Rapids. What have been their experiences with him? That is a question to be answered by inter-bureau inquiry and by the supplementary aid of the central bureau in St. Louis.

The central bureau, too, has its master file of cards, carrying the names of customers, some 2,000,000 in all. But the central bureau, in its operations to supplement the work of the local bureaus, and to supply the nation-wide vision, deals not with the names of concerns that are selling those customers, but with the markets in which those customers buy.

Again the plan of organization and the operating method can best be described by a specific case—one that

illustrates the relations between the Cleveland local bureau, its fellow bureaus in other cities and the central bureau in St. Louis.

First, Cleveland has determined its "zone of direct trading interest;" that is, the territory in which there is a preponderance of sales from the Cleveland market. The zone might be described, approximately, as that section in which 60 to 75 per cent of the members of the Cleveland bureau sell from 60 to 75 per cent of their output. The Cleveland bureau has defined this zone of trading interest in a report to the St. Louis office. Next, to supplement this geographical definition, the Cleveland bureau has supplied the central office with a list of those customers of Cleveland bureau concerns that are situated outside the zone of direct trading interest. This list the central bureau has transferred to coded cards in a file. In this central bureau file, however, the cards are coded not as to selling concerns, but as to bureaus interested. Thus the central bureau knows a customer, not because he does business near Cleveland and buys from Black & White, of Cleveland, but because he doesn't live near Cleveland, and yet buys from Cleveland concerns.

Imagine, again, the circumstance of an inquiry; take the same case of the same John Smith, of Youngstown, Ohio, who aspires to buy goods from the Black & White Company, of Cleveland. The facts, as yet unrevealed, are that Smith is buying not only in Cleveland, but also in Pittsburgh, Philadelphia, Grand Rapids, Chicago and maybe elsewhere.

While the canvass of Cleveland concerns that have sold to Smith is under way, the Cleveland bureau consults a chart that shows the zones of other local bureaus. This chart reveals that Pittsburgh, Youngstown, and Columbus all have designated Youngstown as within their zone of direct trading interest. Forthwith the Cleveland bureau inquires of the local bureaus in those three cities concerning John Smith. The inter-bureau inquiry goes out on a special form. Each of the three local bureaus makes its own local clearance, or canvass, on Smith and sends the report of the clearance to Cleveland.

Meanwhile the Cleveland bureau has sent out still another inquiry concerning Smith, this one to the central bureau in St. Louis. The central bureau consults its file of customers and finds that the card of John Smith, of Youngstown, shows that he has bought goods from members of the local bureaus in Chicago, Grand Rapids and Philadelphia. To these three bureaus the St. Louis office sends out its own inquiry concerning the Youngstown Smith. Chicago, Grand Rapids and Philadelphia consult their customers' files, canvass members that have sold to Smith, compile their clearance reports and send them direct to Cleveland.

CREDIT INTERCHANGE BUREAU
NATIONAL ASSOCIATION OF CREDIT MEN.

The Cleveland Association of Credit Men

336 ENGINEERS BUILDING
Main 3471 CLEVELAND, OHIO Central 3471

1/21/21

The accuracy of this Report is not guaranteed. Its contents are gathered in good faith from members and sent to you by this Bureau without liability for negligence in procuring, collecting, communicating or failing to communicate the information so gathered.

REPORT ON

SMITH & CO., THE JOHN,
111 WEST 11TH ST.,
YOUNGSTOWN, OHIO.

BUSINESS OR DUE NO	HOW LONG SOLD	HIGHEST CREDIT	AMOUNT OWING	AMOUNT PAST DUE	UNFILLED OR FUTURE ORDERS	TERMS OF SALE	MANNER OF PAYMENT: DISCOUNTS	PAYS WHEN DUE	DAYS SLOW	COMMENTS
		CLEVELAND DISTRICT 110-1								
D.G.	2YRS	4000	-	-	-	-	-	-	-	(A)
GROC	1YR	2000	1600	100	-	-	-	-	60	
		OHIO DISTRICT								
MISC	8. YRS	2000	1500	-	-	30	-	X	X-AT TIMES	
		N. Y. CITY DISTRICT								
LINO	2/21/20	56	-	-	-	REG	X	-	-	
		MASS. DISTRICT								
SHOES	8. YRS	1318	180	-	-	REG	X	X	-	(B)
		COLUMBUS DISTRICT 97-1								
SHOES	8'20	1590	172	172	100	REG	-	-	30	
		PITTSBURGH DISTRICT								
MISC	8. TIME	5000	200	-	-	600	X	TO	30	
MFGRS	8'20	5	-	-	-	2-10-30	X	-	-	1 BILL
OIL	1919	30	-	-	-	300	-	-	-	(C)
OFF S.	11'19	240	-	-	-	2-10-30	-	X	-	L.S. 11/27/20
SHOES	1919	62	62	-	-	300	-	-	-	(D)
D.G.	8. TIME	1209	-	-	-	600	X	-	-	L.S. 11'20
L. CUR	1915	120	-	-	-	2-10-60	X	X	-	
L.G.	1918	93	-	-	-	2-10-30	X	-	-	L.S. 7'19
PPR	8/25/20	32	-	-	-	300	-	-	-	PD. ON 11/22)
	8/12/20	23	-	-	-	300	-	-	-	PD. ON 10/21)
		CHICAGO DISTRICT 610-1-10								
D.G.	1915	178	-	-	-	10-60	-	-	45	
GRO	11'19	450	226	18	-	REG	-	-	30	
		GRAND RAPIDS DISTRICT								
SHOES	1BILL 1919	50	-	-	-	-	X	-	-	NO RECENT EXP.
		PHILADELPHIA DISTRICT 1/15/21 134-1								
SHOES	-	-	-	-	-	-	-	-	-	L.S.11'18
SHOES	YRS	775	-	-	-	REG	X	-	-	

(A) ALL BILLS UP TO THE PRESENT TIME HAVE BEEN DISCOUNTED, THEY NOW OWING US NOTHING. THE ACCOUNT, HOWEVER, IS FAR FROM SATISFACTORY, INASMUCH AS THEY ARE VERY STRONG ON RETURNING GOODS AND ALSO ON MAKING CLAIMS WHICH WE FEEL ARE UNJUST.

(B) PAID LAST INVOICE ON ACCT. 30 DAYS SLOW.

(C) SOLD TWO BILLS IN 1919 THE FIRST WAS PAID IN 20 DAYS, AND THE SECOND WAS PAID IN 30 DAYS.

(D) THE ACCOUNT OPEN NOW IS FOR NOV. AT ONE TIME THEY PAID WHEN DUE, BUT NOW THEY HAVE BECOME SLOW.

COMPLETED
EAW

This is a completed report showing what Subscriber C57 received as a result of his inquiry and what all other interested subscribers received for contributing information. C57 finds his own experience on first line, while E149 finds his on the second. The remaining items are gathered from other markets

And so, in the Cleveland office and to the desk of the typist at work on the report on John Smith, comes a mass of information—first the information about his dealings with concerns in Cleveland, and then, to supplement this, the data on his relations with sellers in Pittsburgh, Chicago, Grand Rapids, Philadelphia. And so, column by column and line by line and district by district, the typist makes up the picture of the business character of John Smith.

That picture, it is easy to see, is not a portrait of Smith, all dressed up to have his picture taken, but a movie of his daily business life, unguarded moments and all. Especially significant are the comments of the credit managers—the comments they have appended to their replies concerning Smith. For instance, one concern, a Cleveland dry goods house that has been selling to Smith for two years and placed his credit limit as high as $4,000, sheds this light on his present status: "All bills up to the present time have been discounted; they now owe us nothing. The account, however, is far from satisfactory, inasmuch as they are very strong on returning goods and also on making claims which we felt are unjust." A shoe concern in Massachusetts that has sold the Smith store for eight years reports more specifically: "Paid last invoice on account thirty days slow." Another seller, an oil company in Pittsburgh, seems more or less neutral on Smith: "Sold two bills in 1919. The first was paid in twenty days and the second was paid in thirty

(Continued on page 50)



The Store in the Window

By James McDonald

WHAT'S in a window? Your store is. That is the mercantile philosophy of Bert Ober, of Lawrence, Kansas.

The "Bert" is no mere authorial flippancy. When you ask Mr. Ober his full name for journalistic purposes he says, "Just Bert Ober—H. B. Ober, if you want to be so formal about it." By way of further identification, Mr. Ober is president of the Kansas State Association of Retail Clothiers, a former state director of the National Association of Retail Clothiers, chairman of the national association's educational committee, and the senior partner and guiding spirit of Ober's. Ober's is a men's-wear store that looks as if it might have been lifted out of some original setting as an educational exhibit at a clothiers' convention and set down where it is, on Massachusetts Street, the principal thoroughfare of Lawrence. Besides, Ober's is an institution.

"Ober's?" Anyone in Lawrence, or any informant picked at random almost anywhere up and down the Kaw River valley will tell you, "You can't miss the windows."

Nor can you. Ober's store is in its windows; and in the windows, therefore, is the story of the store.

Ober's began business in a storeroom with a frontage of exactly thirty-five feet. Of that frontage enough had been taken out to make two entrances. That, from the display point of view, made matters more complicated.

Even then, Bert Ober was a studious merchandiser. He advertised, conscientiously but courageously. He studied the merchandise demands of his store's trading territory. He studied sales methods within his store and, wherever he could, he bettered them. He kept a close and specified record of his sales and studied it. But that record was disquieting—or it became that way.

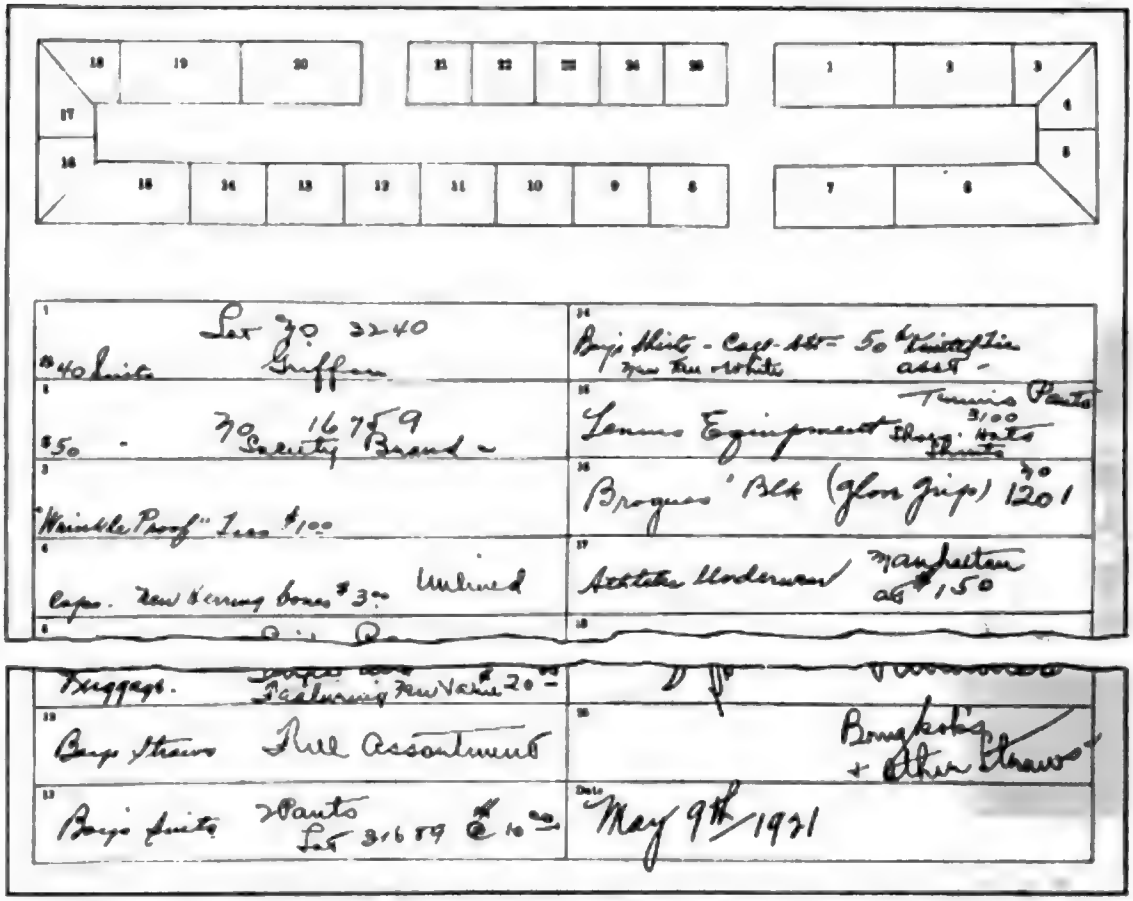
At first the sales had taken an encouragingly upward trend. They climbed toward the hundred-thousand mark. But near that mark they hung. One year might show an increase of four or five thousand dollars. But the next year would show a decrease of about the same amount. The store seemed to have attained a maturity, beyond which it would not grow.

"And then," says the senior partner, "we had a good look at the display windows." The plural was barely applicable. However there were, technically speaking, two windows. One of these, situated between the two entrances, was of respectable size. As windows were trimmed in those days—rather as they were loaded—it would hold a surprisingly big amount of merchandise. But the other window—well, two moderately fat men, standing side by side and looking into it, easily could have obscured that other window from the gaze of anyone but themselves.

"Need more windows," the Ober management decided. But more windows meant more store. Twenty-five feet of additional store space was annexed along one side. That brought the frontage up to sixty feet. To that limit the display windows, redesigned and rebuilt, were extended. Ober's business responded, and immediately. "Very well," said the management, "let's do it some more."

But sixty feet of frontage was all there was. You can't stretch sixty feet. But you can fold up whatever it is that you have to put into a space of sixty feet and thus be enabled to put more in. That is what Ober's did. Again the windows were redesigned, this time more radically, and again they were rebuilt, this time into their present state. Today, with but sixty feet of frontage on the street, the store has 160 feet—almost three times as much—of window display space.

Virtually two paths, one behind the other, pass the Ober store. Outside, of course, is the sidewalk frontage, extending across the sixty-foot width of the store. Through this outside



A part of Ober's window chart. The diagram at the top shows how the window space is divided into numbered sections, while the entries below show what merchandise was featured in each section during the week of May 9

frontage two openings enter upon an arcade-like inner court, long and narrow, with its length running parallel to the street. This inner court is surrounded on all sides with glass, with display windows; and opposite one of the openings to the sidewalk is the entrance that leads into the store.

What has been accomplished by this arrangement? First, with a minimum expenditure of store space, the display window frontage has been increased from 60 to 160 feet. Then, so shrewdly have the openings and the entrance been placed, one cannot get into the Ober store without passing very close to a considerable expanse of display. If you come from the south along Massachusetts Street, bound for Ober's, you will turn naturally into the southern opening that leads through the outer frontage to the inner court and steer straight through, probably, to the entrance and into the store. But, direct though your route has been, you will have passed close to forty feet of display window. But—and herein lies an interesting touch of planning—you are less likely to approach Ober's from the south than from the north. For Ober's is on the western, and the shady, side of a north-and-south street, south of the center of the population of Lawrence. Thus, it is more probable that you will approach from the north; and, if you do, when you reach the store, your journey has only begun. You will turn naturally into the northern opening through the outer frontage, walk the length of the inner court and thus enter the store; and in traveling that route you will have passed close to eighty feet of display window.

Whether you pass forty feet of window or eighty feet, or whether you do as do many passers-by and wander along the whole 160 feet, just looking in, it is difficult to come into proximity with those Ober windows without seeing something therein that you need or something that you would like to own—and probably will buy. These are facts that have been established by records.

Those Ober windows pull. Their pulling power has been expressed in terms of increase in the sales volume of the store, and it has been analyzed and scrutinized by the man that conceived the windows, Bert Ober. He has drawn a diagram of the windows, divided the diagram into sections and numbered the sections to designate sections of the windows.

He has kept his record of sales, divided as to departments and by that detailed record, set over against the record of window displays, he has been able to analyze and classify as to pulling power those twenty-five sections of window display space. He has learned some interesting things.

"OF all the sections, Number One and Number Twenty-one are the strongest pullers," Mr. Ober says. "Those two sections seem to stick out, like a couple of hooks, and catch the maximum of attention from passers-by. It has been interesting to watch the effects of those two sections. I've even made bets on them. Of course, for the other fellow it was a case of betting against a sure thing, for I knew what those two sections would do. I have tested them by putting into each of them a certain article of merchandise and then instructing the salesmen to keep watch on sales of those articles. Always there is an immediate effect; I've seen sales made within an hour after we had put the test merchandise into the windows.

"Next to One and Twenty-one in pulling power are sections Twenty and Twenty-five, and next to these the three sections in the 'island' window in the center, Twenty-two, which really consists of two sections, and Twenty-four.

"Knowing which sections of the display windows have the strongest pulling power is a mighty useful guide in planning the arrangement of displays as to sections. If we are featuring something in our advertising, we know where to put the featured merchandise in the windows to give it the best display."

This chart of the Ober windows has another business-building purpose. It occupies one end of a record form. Below the chart, on this form, are spaces for the writing of records. There are twenty-five of these spaces and each is numbered and set aside for a section of the windows.

The Ober windows are dressed once a week. But they are dressed first on paper. Before a single piece of merchandise goes into a section, the whole 160-foot display is planned and the plan is set down on paper—on the window display record. From Section 1 to Section 25 every piece of goods that is to become a part of a display is recorded in its proper space on the record and is described, for later identification, by style or lot number, color, or some other distinguishing characteristic. Thus the schedule is made up. The goods go into the windows for the week's display, and the display record goes into a file—for ready reference later.

Now the Ober idea of window display is simply this: Show the things that will sell, and sell the most readily. Common sense prohibits the showing of heavy sweaters in July and

(Continued on page 46)

Exploring for Customers

By Edward Mott Woolley

EXPLORING for customers is the most fascinating form of adventure to be found in the great game of business. In my own explorations into the drama of making and selling things, I have often felt the lure of this mighty sport, and have watched with almost breathless interest as masters of the game played it. And there is no little inspiration in observing young merchants, especially, as they begin to understand the move and see the opportunities opening up ahead.

It is not my province to go into the technique of recording and accounting, which is better left to specialists. Rather, I am to photograph in words the human phase of the game—to throw on the screen pictures of men and women as they move to and fro on the business stage, and to reflect in episodes their mental activities.

One of the very best fields for the retail merchant—contrary to popular opinion—seems to be the small town, or even the four corners in some rich farming region. It has always seemed strange to me that more young men with business training and acumen do not get into such locations. In the course of various investigating trips, I have found illuminating material in these places.

For instance, a young man named Haller, after strenuous training in a city department store, struck out for himself and bought a little general merchandise store in a town of 200 people. Within ten years he had increased the business 1,500 per cent and was doing a business of $150,000 a year.

One of his first undertakings was to get up a card index of every customer and "prospect" worth having in the town and adjacent country. On these cards he estimated the annual buying capacity of the various families, the character of their trade, and the general lines of goods that would most appeal to them. He felt that whatever the plane of living of each family, he could raise it—make the whole family want better goods. Usually he set a definite goal for each important customer. His greatest difficulty was in getting information concerning their existing modes of life, but he did it largely by personal observation and by deftly leading customers into confidential conversations. He had an elaborate system of code recording for his card files.

NO other merchant in his vicinity had ever stocked Oriental rugs, but in a year he sold twenty-six—all to families that never before had bought rugs of real class. This was brought about simply by conversational salesmanship, which gradually built up the buying impulse.

Haller's policy was largely the finesse of salesmanship directed against specific individuals. One instance was especially interesting. It was reported in the town one day that a manufacturer sixty years old, head of a tractor plant four miles away, was to marry his secretary, a girl of twenty. Haller was the only merchant who saw any sales opportunity; to the rest of them it was merely an interesting piece of gossip. Haller, however, went out that night to see the prospective bridegroom, who was a widower of considerable means, living in an old-fashioned house, the furnishings of which were out-of-date and much worn.

Haller assumed from the start, without question or argument, that a young wife would expect a great deal in the way of a home. The prospect did not contradict him but fell in with the idea. Before the wedding Haller obtained an order running into several thousand dollars.

This was an instance of the way he developed customers' desires. He worked on the theory that the most profitable prospects were those who had the money to buy and in whom existed some impulse that might be developed. He believed in capitalizing opportunities as they arose. In the case of the manufacturer, no such underlying impulse would have existed except for his pending marriage, and any argument to show him why he should completely refurnish his home would have been salesmanship against the greatest resistance. But here was a walkaway, simply because psychology suggested an undeveloped impulse.

In his task of "trading up" Haller figured that if he could estimate the per capita outgo of a family at $300, say, or an aggregate of $1,500, he might easily increase the total to $1,800 or more—and at the same time benefit the family by giving goods of better quality or types.

It was continually his effort to sell a better piece of furniture, tool or set of harness. He mapped his selling area, dividing it into zones approximately a mile square, and carefully estimated the population of each. Practically all his business in the farming districts was done on accounts, which enabled him readily to calculate his per capita trade.

Then if Zone 26 showed per capita purchases to be 50 per cent less than in Zone 14, he knew some unexplored



"The owner of a large chain of retail grocery stores got his start as a youth by going out with a horse and buggy in his home community and building up a tea and coffee route"

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opportunity lay in this latter district—provided the markets were inherently the same. He made it his business to find out whether there really was enough difference in the buying power to account for the discrepancy of purchases; and this very study of itself led him into markets he never had explored. In this work he was assisted by his brother, who took charge of statistics.

In one such district that was lagging far behind its apparent per capita possibilities, Haller found a foreign settlement with singularly primitive ideas, although for the most part remarkably thrifty and prosperous. Here was a community of several hundred families who clung in many respects to European customs, and upon whom no psychological sales efforts had ever been used.

These people were prone to red flannel shirts, and few of the men ever wore any head covering except rough caps. Many used oxen, homemade sleighs and the crudest of agricultural implements; the mothers, to Haller's astonishment, were getting a European type of cradle from an American mail order house.

He reasoned that his first move was to get their interest by catering to their own customs, so he bought a small lot of goods like cradles and red flannel shirts, and then went after these people with special direct-selling methods. When they began to come to him he traded them up by degrees, and in the course of time this community was a source of much profit.

As an example of Haller's trading-up process, his experience with window screens is interesting. When he went into this district, mosquito netting was almost universal as a protection against summer pests. He persistently talked and advertised wire screens until the old netting habit was virtually abandoned and he enjoyed a large screen trade.

Most of the farmers' wives cooked all summer with red-hot wood ranges, but Haller educated hundreds to the use of gasoline and oil cook stoves. He took a census of his possibilities in this direction, analyzed it and worked against the least resistance. He first picked out his "key" prospects for these types of summer ranges and concentrated on them. Thus in educating Farmer Babcock's wife he reasoned that he was incidentally educating perhaps fifty other housewives who revolved about the influential Mother Babcock.

Haller gradually built up, largely through casual inquiries from customers, lists of families that did not possess such utilities as sewing machines, meat choppers, bread mixers, kitchen cabinets, washing machines, vacuum cleaners, fireless cookers, aluminum utensils, and other items of household use. From these general lists he made separate lists of those most likely to respond to selling efforts, and followed them up. Always his preliminary job was to make people want these things. It was a continual boring process—the process of boring into buying habits.

Tremendous possibilities await any small-store merchant who goes about his problem with a statistician's faculty of analysis plus his own imagination. The average retail paint dealer, for example, misses all sorts of sales opportunities. If he used the same analysis that the big paint manufacturers practice, he might easily double or triple his business. These manufacturers, through intensive study of markets, have developed different paints for a large variety of uses. So, too, the local dealer could analyze his selling district and chart the market, not only for general paints but for those especially made for metal, or for use under water, or in places particularly subject to chemicals, intense heat or cold, steam, grease, and so on.



"She found that a bank president would take almost anything she offered in detective stories"

THEN suppose he were to go after these prospects with real selling ideas—wouldn't such an exploration reveal profits he never had dreamed of?

The small merchants who do this sort of thing are scarce, yet I have found hundreds of striking instances of men who have the philosophy and practice it. In a Michigan city is a furniture merchant whose market explorations often take new kinks. With a mind trained to grasp selling possibilities, he is always keen to seize opportunities that others let slip. On one occasion, during a dull period in his own line, he suddenly bought from an estate the entire stock of a variety store at 50 per cent of cost. He moved it into his own establishment, utilizing every foot of space, and then made it a big feature, in which his own line also figured. From this one deal—and in a slow season—he cleaned up a net profit of several thousand dollars.

This is a sort of by-product selling that almost any merchant can put over if he manipulates his finances properly and knows what people will buy.

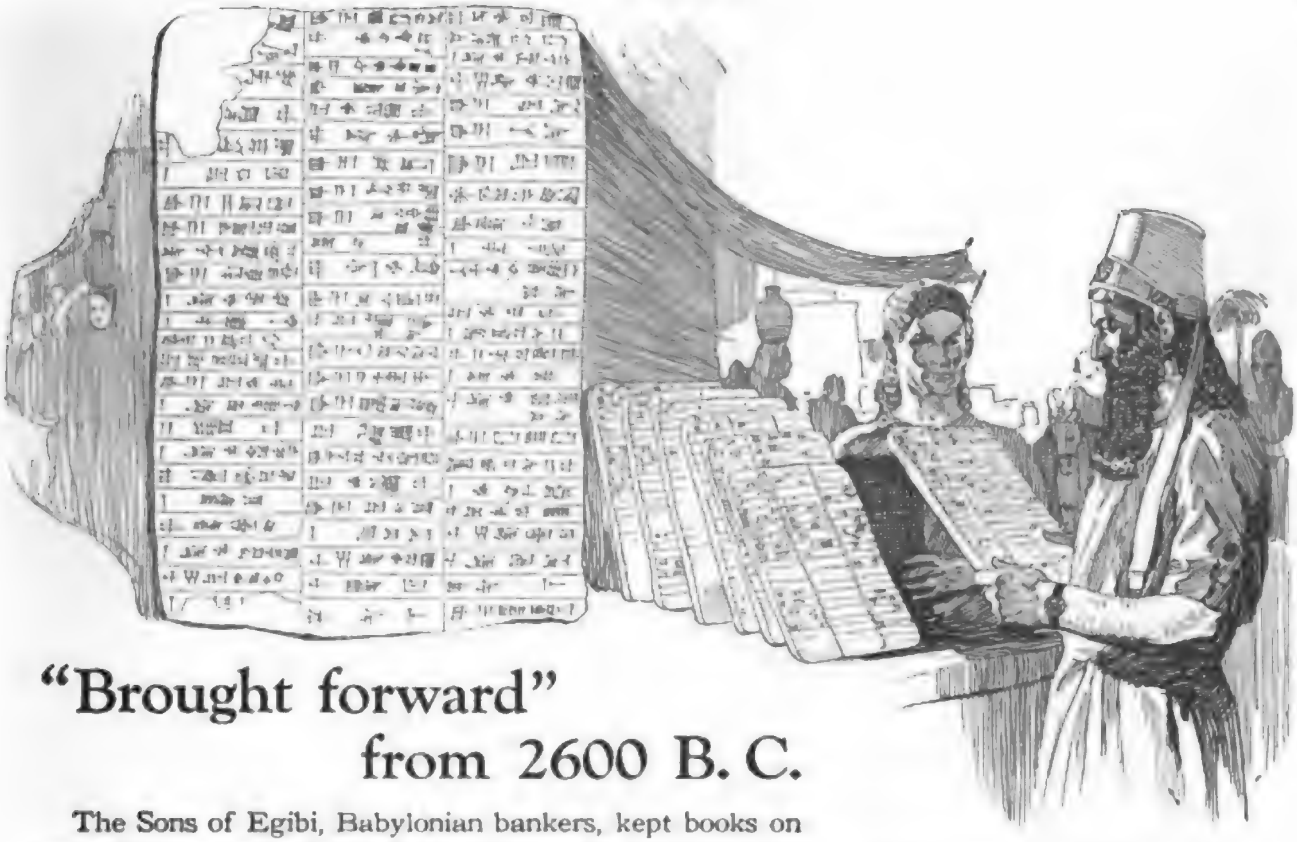
The owner of a small dry goods store told me of an episode that revealed a buying power in his community that amazed him. He heard of an opportunity to buy a great quantity of wash fabrics below the manufacturer's cost. He took these goods with much hesitation, intending to store them in his stockroom and sell them gradually; actuated by a bold idea, he then launched a big selling campaign with original advertising and cleaned them out in a week.

This extraordinary result led him to investigate the tremendous reserve market. When he figured it up he found that several thousand families within reach of his store were abundantly able to absorb periodically certain specific quantities of merchandise—which he itemized and tabulated as a guide to future opportunities of this sort. He told me he had made many thousands of dollars through operations based systematically on this information.

Out West the head of a little department store showed me his method of preliminary experiment before taking on new departments. He kept a series of "want slips," which showed every day just what goods were asked for that were not kept in stock. A tabulation of these calls over a period of months showed the advisability of taking on given lines. One department added as a result of this analysis was house furnishings.

Another example of department store exploration was in a city of considerable size. Taking its sales and delivery records as a basis, it made an analysis to find out what portions of the community were least profitable. This comparative study showed that several apartment house areas were far less profitable than they should have been. The trouble was traced to the competition of exceptionally live neighborhood stores, which actually were underselling the department store and giving better service.

Some men stumble into market explorations. In fact, all merchants do, but the trouble is that few use their heads to follow such accidental leads. The owner of a large chain of retail



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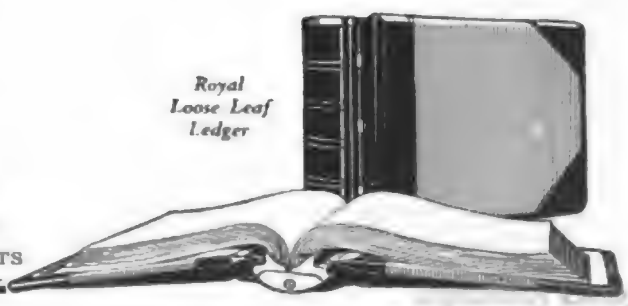
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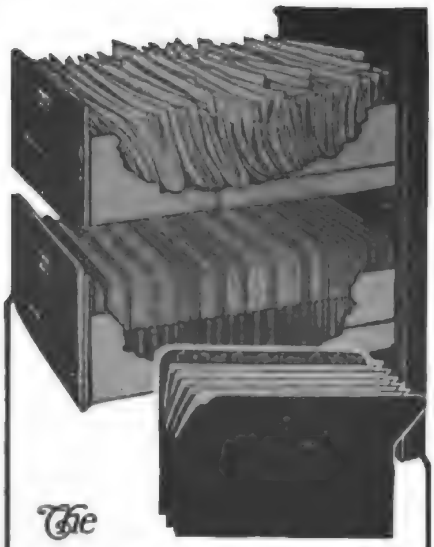
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grocery stores got his start as a youth by going out with a horse and buggy in his home community and building up a tea and coffee route. At the start he had no vision; knew nothing about market exploration. But soon he began to understand that he was actually discovering a market, and within a few months he built up a trade in tea and coffee several times bigger than the combined trade of the local grocers.

Where did this unexpected buying capacity come from? Apparently much of it was diverted from other outlets, including mail order buying. Or possibly a considerable percentage of it was wholly new business developed by his salesmanship.

Any live grocer with imagination can earn big dividends from a statistical department, the office end of which can be conducted largely by a bright young woman with some training in the philosophy of the thing. Let us say, for instance, that John Wilson and family buy practically all their groceries at the Empire Store. A young woman statistician analyzes their average purchases and discovers that they use certain quantities of flour, cereals, fruits and so on.

Then, through a process of checking, she discovers that the Wilsons never have bought certain lines of fancy groceries that are extremely profitable to the store. She makes a list of these, and Mrs. John Wilson becomes a prospect for every one of them. The Empire Store cultivates her with personal letters and selling talks, and tempts her with delicious samples. On Friday, say, a boy visits her house and leaves bits of fancy cheese, or a dish of preserves, or something else especially appetizing, along with a card: "Suggestions for Sunday night supper." It isn't long before Mrs. Wilson falls into the fancy buying line.

This is exactly the procedure on which a certain grocery store has built up a high-class trade. It is an example of the results that come from cultivating this class of buyers individually, instead of losing them in the conglomerate mass. They must be explored.

But though statistical work itself is chiefly an office proposition, actual market exploration must be done largely in the field, or in direct contact with people.

A young woman started a book store in a small city. She knew a lot about books, but in her disastrous first year she found she knew little about people or the book market. When it came to the point of closing out the business or going ahead with aggressive selling ideas, she chose the latter. Leaving her sister in charge of the store, she became virtually a book agent and canvassed the entire community. At first she was actuated merely by a

A Market Worth Investigating

THE direct and indirect purchasing power of America's financial institutions is tremendous. Banks represent the cream of the national market in a great many lines.. They are preferred, immediate prospects in scores of others. And aside from their special needs, they are large consumers of staple business commodities.

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If you are manufacturing or distributing nationally a product that banks use or should use, it will pay you to investigate this medium. We shall be glad to send further details without obligation to you.

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"Originators of the art of printing time automatically."

desperate resolve to turn up enough quick business to save the store; but it wasn't long before she began to realize she was uncovering great future possibilities. As she visited home after home she began making notes of what she saw.

In most of these homes the dearth of good books amazed her, and she estimated the per capita buying at less than a dollar a year. Most of the homes lacked many standard sets, as well as high-class dictionaries, encyclopedias, thesaurus works, books of special or general reference, and the leading current fiction and juveniles. The fact that she owned a local book store set her apart from the ordinary type of book canvasser and enabled her to get the confidence of her market and procure a great mass of valuable data.

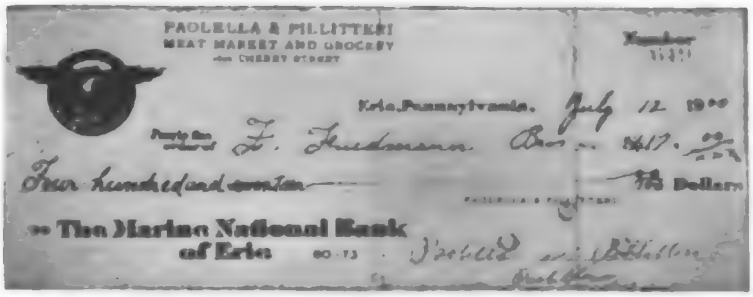
She and her sister digested and reduced to records all this information and made it the basis of a persistent selling campaign. Some 200 well-to-do families were called on about three times a year—and others less frequently—and shown book lists and samples. In November several girls were employed in this house-to-house selling for the Christmas trade.

This enterprising woman found, for instance, that she could easily sell certain kinds of books to specific persons. A bank president would take almost anything she offered in detective stories, and a lawyer would seize romance and adventure of the wildest sort. She learned just where to offer religious books, scientific books, juvenile books and other specialized lines.

In the course of an investigation I made, for a firm of book publishers, I found an extraordinary scarcity of ideas on book markets and ways to reach them. A canvass of many book stores in large cities and small towns showed the field to be almost untouched. Yet here and there were retail booksellers with clever ideas.

One dealer utilized school children on a commission basis in selling Christmas and birthday books. He paid them small fees for lists of names and for information about people who might be in line as book buyers. He used another scheme to find out what families might be prospects for standard sets; he simply advertised that he would give prizes for the best essays on the home libraries, with lists of the books that ought to be there but were not. Many young people were thus led to supply invaluable market information, and he obtained the names of several hundred families upon whom he could concentrate.

Thus a decided market was uncovered for books on etiquette, cooking and household arts, nursing, salesmanship, wireless telegraphy, gardening, agriculture, automobile mechanics, carpentry, and even plumbing and


PAOLELLA & PILLITTERI
MEAT MARKET AND GROCERY
Erie, Pennsylvania, July 12 19
Pay to the order of F. Friedmann Bro. $417.
Four hundred and seventeen — Dollars
The Marine National Bank of Erie

A typical example of the many $7 checks given in payment for "Bargain" cigarettes. This one, issued in good faith by a small merchant in Erie, Pa., was raised to $417, the original amount being washed off with acid.

Cigarette Prices Go Down—Checks Go Up

Several pairs of operators who pass as salesmen for established jobbing houses, are working this trick on small merchants in various sections:

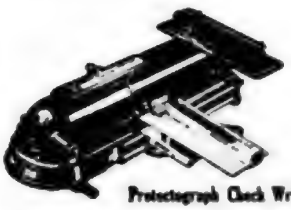
They offer standard brands of merchandise, such as "Camel" cigarettes, at a dollar or so below the market price. Somewhere in the transaction they make delivery of the goods and get a check for $7 or $8.

Next time the victim sees his check it has been raised to hundreds of dollars, certified, and cashed in some other city.

But in every case where the merchant gives them a check with the amount written like this—

EXACTLY FIFTY ONE DOLLARS SIX CENTS

the words being "shredded" in two colors with the Protectograph Check Writer, the "biter is bit," because he has no way to raise the "shredded" line.


Protectograph Check Writer

The instrument that protects the amount of a check in two colors (Todd Patents). Each character "shredded" through the fibre of the paper with acid-proof ink.

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FREE—To responsible executives (only) the much talked of little book: "Scratcher, the Forger—His Book." Written by a celebrated Forger-Editor-Convict in State Prison, telling how he got there. Please enclose your business card or letterhead.

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ADVERTISING SECTION



THE boss *would* buy an ADDRESSERPRESS if he himself ever tried hand-addressing. But when business is profitable it seems easier to set a girl at hand-addressing than to bother buying a mechanical addresser. So most offices are still hand-addressing statements, pay forms, bulletins, circulars, shipping tags, labels, and the many other lists of names that must be written daily, weekly, or monthly. Profits constantly leaking away. Perhaps the boss is too busy to notice it. Why don't you *tell* him?

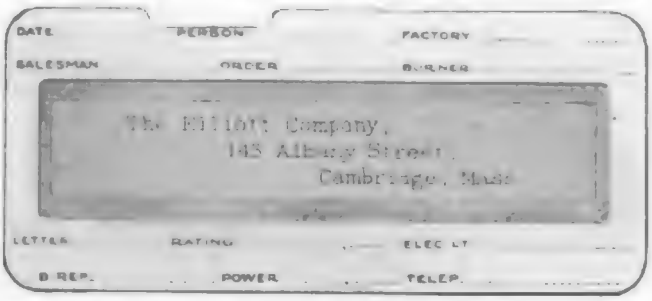
Send for our Booklet "Addresserpressing."

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The Addresserpress

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This Elliott Index Card prints its own Address!



THE Address Cards used in the ADDRESSERPRESS are *made of fibre*, so the frame of each card can be printed and written upon. Therefore Elliott Address Cards—made in 8 different colors—will take, *and classify*, the index data you now keep on your 3 x 5 record cards. Addressing machines using *metal* address plates force you to attach a cumbersome, apt-to-get-lost, paper card and colored tab on each address plate in order to obtain anything like this desirable card-index feature.

ERTISING SECTION

electrical fitting—subjects that grew out of national advertising. He came to study the magazine advertising, and followed it up with especially adapted sales ideas.

He made a strong point, too, of capitalizing birthdays, not only of children but grownups. Here again he employed school children in gathering names and dates, along with hints of the kinds of books most wanted.

Once you begin this sort of market exploration, it continues to expand. When one finds a method of reducing it to live statistics the problem of merchandising is largely solved.

Exploring for customers is largely a matter of imagination. A store found itself overstocked with fancy bordered handkerchiefs. A clever young salesman suggested making them into aprons; the aprons attracted so many customers that quite a vogue was established. Surely it is foolish to place any definite maximum on the buying capacity of any given area, for some clever sales investigation or idea will suddenly uncover that curious phenomenon, reserve power. This craze for aprons, by the way, ran into dust caps, table runners, work bags and similar articles.

Camisoles, made of wide fancy ribbons, grew out of somebody's ingenuity in searching out buying motives. Pennants—that great fad that swept the country for years—originated in a surplus of felt draperies, which had to be sacrificed or converted into a marketable product.

So the biggest of all marketable products is brains, coupled with statistics and this habit of adventuresome exploration.

Complete

A sufferer who lives close to a railroad yard in the suburbs, wrote the following to the railroad company, complaining about the racket made by a switch engine.

"GENTLEMEN: Why is it that your switch engine has to ding and dong and fizz and spit and clang and bang and buzz and hiss and bell and wail and pant and rant and howl and yowl and grate and grind and puff and bump and click and clank and chug and moan and hoot and toot and crash and grunt and gasp and groan and whistle and wheeze and squawk and blow and jar and jerk and rasp and jingle and twang and clack and rumble and jangle and ring and clatter and yelp and howl and hum and snarl and puff and growl and thump and boom and clash and jolt and jostle and shake and screech and snort and snarl and slam and throb and crink and quiver and rumble and roar and rattle and yell and smoke and smell and shriek like hell all night long?" —*Boston Globe.*

All Parts Accounted For

(Continued from page 12)

attached to the wire, shows the total length of stock so secured. Thus the racks may be piled to the ceiling with stock, large and small, but the contents of the racks can be read from the ends, just as one would read a row of water meters.

Occasionally, in any system, there is a slip-up somewhere. Suppose, for instance, that in the Warner plant a quantity of stock is withdrawn from stores without the formality of a requisition. In that event the stores ledger in the main office would agree with the stock ticket attached to the rack or bin from which the stock had been withdrawn—since neither the ledger nor the ticket is changed except when a requisition goes through—yet neither the ledger nor the ticket would show the actual amount of stock on hand. What then? That physical check-up, carried forward continually by the stock clerks, would show up such a discrepancy.

In the Warner system, as a matter of fact, discrepancies large enough to be worth bothering about are few and far between. Take the case, for instance, of ball bearings. Ball bearings are worth from four or five to seven or eight dollars each and constitute the most expensive kind of material carried in stock in the Warner plant. On the day this was written a check-up of all ball bearings in stock had just been completed and the result of the count had been compared with the ledger reading. In stock there was a total of about $50,000 worth of bearings. The difference between the showing of the stores account on bearings and the actual count of pieces in stores was a little more than $200, or less than one-half of 1 per cent.

* * *

The Warner Company's assistant general manager, E. B. Baltzly, was discussing factory accounting and its relation to factory management.

"I remember a transaction in which our records were of unusual importance," Mr. Baltzly said. "I was talking with a customer to whom we had quoted a price on an order. A competing concern also had quoted a price, and their price was lower than ours.

" 'Well,' I said to the customer, 'I don't know much about how they run *their* business. We believe that we know how to make a high-grade product and we believe that we are turning out such a product. That's our *belief*. But this we *know*—we know that we cannot turn out our high-grade product and keep it high-grade at a price lower than the figure we have quoted you. And we know it, because we know, in our plant,



Photo by Underwood & Underwood, N. Y. "Crom Aboo" Wins at Gatewick

Speed gets results not only in sports but in business methods as well

Speed

in Machine Bookkeeping

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The only binder (vertical style) with 100% expansion at all times.

Sturdy, adjustable and detachable ratchet stands
Other time-saving features

Faultless Turning Post Binder

Write for Circular T. P. B.

Sold by Leading Stationers



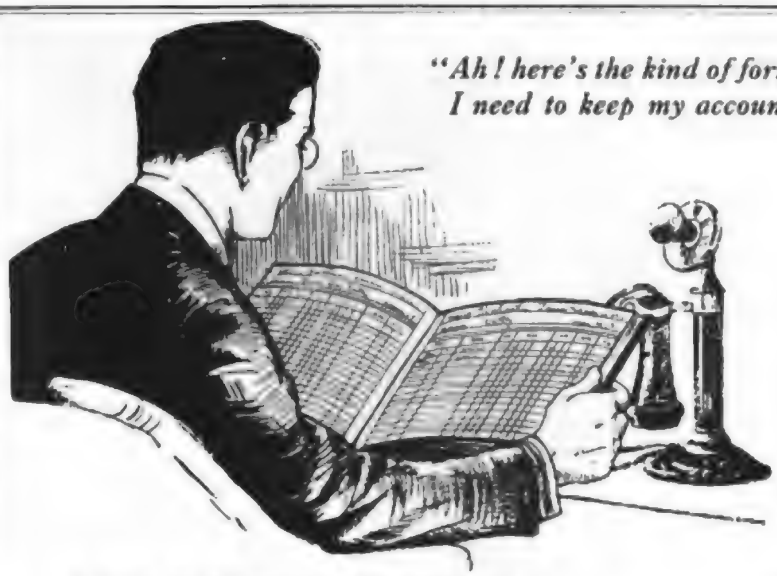
Oval-shaped posts release or lock the sheets instantly

Milled posts prevent sheets from slipping during posting

Capacity—200 to 1100 Accounts

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Shows simple and scientific methods of keeping all kinds of business records in loose-leaf books.

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Visualize your territory. Follow the movements of your salesmen, and check up on the results of your advertising. Know at a glance where sales are coming up to the quota and where additional sales pressure is necessary.

You can mark on Washable National Maps as you would a slate or blackboard. When you want to make changes, simply erase the marking with a sponge, damp cloth or art gum. The maps are mounted on heavy compo board, which makes possible the use of colored map tacks to show additional information.



"Tack Talk," a little booklet on the use of map tacks in visualizing trade territory, sent free on request.

The Multi-Unit System

Keeps all your maps together in a compact, convenient and efficient arrangement. Forty large maps in the wall space required by one. Simply turn a wing and you have a new map before you. Several sizes and styles, to meet the requirements of any business. Send for Catalog B.

NATIONAL MAP COMPANY

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POSTAGE is a practical business magazine devoted exclusively to DIRECT MAIL ADVERTISING AND SELLING. Tells how to reduce Selling Costs by using DIRECT MAIL either alone or with Salesmen. Criticisms Letters, Circulars, Booklets, House Magazines and Catalogs, actually used in the selling campaigns of the largest U.S. firms. Sample copy 25c.; one year (12 copies) $2.00.

POSTAGE, 18 East 18th Street, New York

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New idea. Uniform in size. Bind like a book or file in ring binder. Ready instantly. Rulings for all needs, in new colors that are kind to the eye. Evolved by a C. P. A. of 17 years' experience. Packet of full sized samples and list of special forms free. Samples Free

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428 Church St. - New Haven, Conn.

exactly what we are doing. We know our costs.'

"I showed that customer just how and why we know our costs. And I got that order."

Merchants on Wheels

(Continued from page 18)

months, the oldest for nineteen and two-thirds months.

The ten trucks listed were so selected that every trade condition in Chattanooga should be represented in the summary. One of the ten, for instance, operates only in a residence district inhabited by wealthy families and another does all its rolling in a section populated by day laborers. One of the ten enjoys a territory that is as level as a table-top. Another navigates a district so hilly that, as MacDonald expressed it, "there isn't level ground enough in the whole section to cuss a cat on."

Of the ten trucks, the oldest led the list in totals of depreciation, operating expense, sales and profits. In its nineteen and two-thirds months of service it had been depreciated $983.50. Its expenses totaled $2,069.92; its sales, $51,563.65, and its profits, $6,576.78.

The youngest truck, in service seven and one-half months, had been depreciated $375. Its expense had amounted to $777.44; its sales, $12,487.43, and its profits, $807.55.

Together, the ten trucks showed totals as follows:

Depreciation	Expense	Sales
$6,000	$11,932.37	$297,836.57

Profits $28,273.44

And the totals gave these averages, per unit:

Depreciation	Expense	Sales
$600	$1,193.23	$29,783.65

Profits $2,827.34

There is the matter of what might be called internal competition. The MacDonald stationary stores, it must be borne in mind, have continued in operation; there are twenty of them now. The Roly Redys respect each other and they do their rolling only in their respective territories; but they ignore, utterly, the territories of the stationary stores. The mere fact that there is a MacDonald stationary store in the same neighborhood is nothing in the active life of a Roly Redy.

"What effect," I asked MacDonald, "have the rolling stores had on the business of your stationary stores?"

"Oddly enough, they have had a

good effect," he said. "Since the Roly Redys went into operation we have closed six of the stationary stores; but these were comparatively small, neighborhood establishments in the outlying districts.

"For a stationary store, situated on an important street, a Roly Redy operating in the same neighborhood is a good thing. It seems that the rolling store helps to advertise the stationary store. Anyway, we have observed that sending a rolling store into the territory of one of the stationary stores situated on a main thoroughfare will increase the business of the stationary store by twenty to thirty per cent.

"The manager of the stationary store on MacCallie Avenue told me recently that, sitting at his desk, he could hear the whistles of four Roly Redys. Yet the MacCallie Avenue place leads all our stationary stores in sales."

The Prodigal Cashier

By John J. Jennings

"HOW'S business in your line?" queried the cashier of the local bank as he strolled into the local clubroom.

"Oh, just so-so," replied the local retailer. "Collections are a bit slow, and the wholesalers are calling for money like the horseleech's daughters. And say, that reminds me," he continued; "I've got a draft for $672.13 in favor of the Midland Jobbers falling due at your bank tomorrow."

"Yes, I remember seeing it on the list today."

The merchant produced a check book and a fountain pen.

"I might as well give you a check for it now," he declared, "and save sending a clerk down with it tomorrow."

"All right, but if you're going to do that you'd better make it payable to me personally. Makes less bookkeeping at the bank," suggested the cashier.

"It's all the same to me as long as it pays the draft," the merchant agreed. Whereupon he signed and handed over a check for the required amount.

Twenty-four hours later the merchant received a dishonor notice on the usual printed slip informing him that the Midland draft was unpaid. He lost no time in hustling down to the bank, where he found the assistant cashier occupying the cashier's desk.

"What does that mean?" demanded the merchant, as he slammed the dishonor notice on the blotting pad.

The young assistant wore a worried look, but he examined the notice calmly enough.

"It means that your draft for $672.13 in favor of the Midland Jobbers fell



D

Oplex Signs Have Raised, Snow-White Glass Letters

FLEXLUME Oplex Electric Signs have raised, glass letters, standing out in relief from the face of the sign, each letter snow-white and in striking contrast to the background.

They are day signs as well as night signs.

They have greatest reading distance.

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All lamps are enclosed.

The designs have personality.

These are some reasons why Flexlume Signs have become the badge of successful business.

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Stenographers Blamed

—for errors
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—for indifference and lack of interest

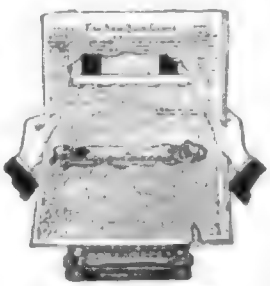
But the cause, the brain jazzing habit of side reading is allowed to go on.

Is it reasonable to wreck a girl's nerves with the seesaw and eye strain of side reading and expect her to be uneffected by bodily fatigue?

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so that notes can be read the single focus way without the fatigue from strained eyes, twisted backs and thousands of unnecessary and unproductive motions per day. Line-a-Time simplicity versus the complication of side reading actually costs less.



The LINE-A-TIME reading area *directly in front* and the same distance from the eyes as the typewriter carriage.

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Progress and promotion—and the dollars that come with them—are the products of specialized business sense.

The men out of work or in poorly paid jobs are those who know a little about many things and not much about anything. The valuable man is he who knows *one* thing *well*.

The Washington Institute is making specialists out of average men—specialized accountants who hold their jobs and draw the big money. Our special Summer rate—now in effect—offers YOU an easy and absolutely certain way to advancement.

Write for particulars and our FREE book: "The Path to Progress and Promotion."

Washington Institute

2553 Michigan Blvd., Chicago, Ill.

due at this bank—and hasn't been paid." he remarked.

"And what do you say to that?" retorted the retailer, producing his check book and pointing to the stub.

"Do you pretend to tell me you gave a check for the face of the Midland draft and made it payable to the cashier personally?" demanded the cashier.

"Certainly—can't you read the entry on the stub?"

"He cashed your check, but failed to pay the draft," was the quiet reply.

"Oh, well, it's just a little oversight, and he's good for ten times that amount," declared the merchant.

"I hope you're right, but he left last night for parts unknown, taking about $6,000 of the bank's money with him—plus your $672," admitted the bank man.

"Not by a long shot," retorted the merchant, "it was your $672 that he took. When he cashed my check that paid the Midland draft, and you've got to hand it over to me stamped 'Paid.' Then, if he 'floated' with your money it's up to you to track him—if you can."

"No, if you gave him a check payable to him personally it's a matter between you two, and the bank isn't responsible. You'll have to pay us the face of the draft, and get after the other fellow—if you can find him."

"Well, I'm no lawyer, but I'll bet you the face of the check I can beat you out in court right on that very point," persisted the merchant.

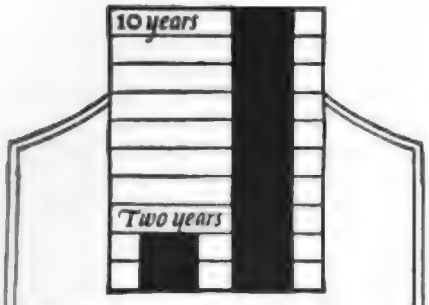
And the merchant was right, as the legal rule in such cases is that where a check is made payable to a bank officer personally to retire negotiable paper held by the bank against the drawer of the check, and both parties are equally innocent, and the bank official "pockets" the proceeds of the check, the loss falls upon the bank, and not upon the drawer of the check.

"If we assume that both the bank and the drawer of the check were equally innocent of wrong in connection with the transaction," says one state court in a case right along this line, "and that the loss resulted by reason of the fraud of the bank's agent in misapplying the proceeds of the check, then the bank for whom the cashier was acting would be required to bear the loss, for 'where one of two innocent persons must suffer by the fraud or negligence of a third, whichever of the two has accredited him ought to bear the loss.'"

Pleasure Car Rates

A circular on retail trade acceptance announces that "Automobiles for funeral purposes take the taxi or jitney bus rate—except *hearses*, which take the straight pleasure-car rate."

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Two Ways *to* Business Leadership

Do you want to be a business leader? There are two ways to reach your goal.

First, by actual experience in some commercial line. This method has three objections. You may have to give up years to it, you are likely to find your ability limited to one kind of work, and you may not always find it easy to secure association with able executives.

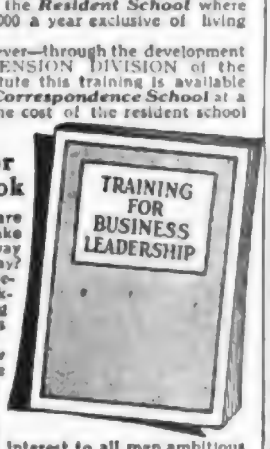
Second, by an intensive study of the methods of successful leaders, wherever found. This method results in a well-rounded knowledge of business fundamentals. By learning to apply the principles used by these leaders to your own activities, you advance very rapidly.

A Quick Method

Through years of business research, laboratory work, and study of the lives of successful men, specialists of the BABSON INSTITUTE have gathered and put into clear, understandable form the fundamental business information that every man must have to achieve leadership in business. This information has heretofore been revealed only in the classrooms of the Babson Institute through the ***Resident School*** where tuition is $2,000 a year exclusive of living expense.

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Which way are you going to take—the long way or the short way? You must decide. Our booklet, "Training for Business Leadership," tells you how to make the short way yours. It contains information of extraordinary interest to all men ambitious for success. Full information on all courses. There is no obligation.

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Please send me free, your booklet, "Training for Business Leadership."

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Address.....

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Collections 249 Years Ago

A credit man would not be likely to delve into business records of colonial days to learn how to write effective collection letters, says *The Credit Monthly*, but a searcher of such records might be well repaid for his time.

The Credit Monthly relates that George W. Gardiner, one of the New England directors of The National Association of Credit Men, was recently burrowing into the business literature of the early days of America. There, to his surprise, he found some letters of John Hull, who at one time was a selectman of Boston and at another time was mint master and treasurer of the Colony of Massachusetts.

From the following letters it appears that Mr. Hull was trying to collect some debts of long standing, one of them from a minister of the gospel:

Mr. Joseph Butler, 1672:

I cannot but wonder that you should have so much care to run into my debt, and so little conscience to pay. John Plumbe hath not paid me much; but you not anything. You know you had very good goods of me, to the value of above three hundred and thirty pounds; and I have your bond, under seal, to have paid me the whole by June last twelve month, which time is now past about eighteen months; and it is but strange what you think of such actions. You cannot be so stupid as to forget your obligations, or to think this is a way to help you by unrighteous provocation of your patient creditor. Let me not be forced to make an example of all unrighteous debtors in Connecticut; but show your fidelity and honesty by a speedy payment of him who subscribed himself your friend,

JOHN HULL.

March 5, 1679.

Rev. Mr. Hubbard, of Ipswich:

Sir—I have patiently and a long time waited, in hopes that you would have sent me some part of the money which I, in such a friendly manner, parted with to supply your necessities, and which you so firmly and frequently promised me that I should never lose by so doing; but I experimentally find that I have waited and hoped in vain. I did indeed think that the ministerial calling you had given up yourself unto did oblige me for to be willing to help you; and I did also think it would oblige you for to be very true and just in your performance to me. Sir, I do entreat you more seriously to consider thereof. I have been very slow, hitherto, to sue you at the law, because of that dishonor that will thereby come to God by your failure; but, if you make no great matter of it, I shall take myself bound to make use of that help which God and the country have provided for my just indemnity. Sir, I told you I was willing to remit the great advantage that protested bills of exchange would, in the way of law, allow unto me, and be content with six in the hundred for the forbearance of my money; whereas, had you performed your covenant to me, I had made thirty pounds on the hundred, which is to me a very considerable loss. Sir, your personal debt unto me (besides Mr. John Hubbard's obligation) is three hundred forty-seven pounds five shillings, which if you will please to render it unto me, or any considerable part thereof, speedily in money, and give me bond, with



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Possess many points of superiority that make them the choice of discriminating buyers. Made of smooth sheet steel with welded joints and richly enameled. Multiple locking device operates with one turn of the key. Adjustable legs. Fire, rust and theft-proof. Easily installed. The reasonable first cost is the only cost.

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Please send your free booklet describing Medart Steel Lockers. We employ about people.

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This Valuable Added Protection —at no greater cost for checks

You are INSURED against losses on checks through fraudulent alterations and "raising." Regularly you cover all "fire risks," and insure your buildings against windstorms also. Likewise you doubtless carry accident, burglary and *other insurance against business hazards.*

Checks on unprotected, uninsured forms simply *invite loss.* Why do that?—when you have available for your superior safety these INSURED checks, without any cost to you for the insurance.

Tell us how many checks you use yearly, send us samples of checks you are now using, and we will send you samples and prices of INSURED checks.

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good personal security, for the rest, to pay me in some reasonable time, and five pounds in the hundred for the forbearance, truly and justly paid to me every six months, and until it be paid, and as you shall lessen the principal, so I to abate on the interest, I will yet sit down contented, though it be much to my damage. But if you do not this, or some other thing that is honest, just, and rational, I think you may expect to be called to our next County Court, which I think is the last Tuesday in April next; and I suppose, sir, you cannot but hold me excused, as doing nothing but what yourself do force me unto. In the meanwhile, I wait to see what you will please to do, and remain your loving friend.

JOHN HULL.

Vox Populi

A Middle Western retailer of men's clothing was discussing The Customer.

"You know," said the retailer, "the average man thinks he's very observant. Maybe he is, in some things. But I've been thinking about that big-selling brown suit that we had not long ago.

"That suit was distinctive. It was brown, with a green stripe. Having seen it once, you couldn't fail to notice and remember it when you saw it again—or so it would seem.

"We press the clothes of our customers. As long as a suit lasts we'll keep it pressed, free of charge. One day a customer, a man that had bought one of those brown suits with the green stripe, came in with the suit in a suitcase to have it pressed. I happened to meet him near the door. Voluntarily, he spoke about the suit, and spoke highly of it. He said he had never owned a suit that pleased him as much.

"'And,' the customer added, 'what I especially like about it is that it's different. I've never seen another one like it'."

"What the customer didn't know was that right at that moment there were six hundred suits, exactly like his, walking around this town."

An Advertising Artist

Some men never let an opportunity slip. They make the most of every chance as, for instance, a certain organ-grinder who once played his organ outside the house of Mascagni, the famous composer. Mascagni is often driven wild by hearing his music "murdered" on piano-organs, and on this occasion he left his house and interviewed the street musician. He did not send him away. He merely took the handle of the instrument, turned it around faster and quickened the time. The organ-grinder smiled his thanks. Next day he again appeared in the street. This time his organ bore a large placard on which was inscribed: "Pupil of Mascagni."

—*San Francisco Argonaut.*

DITTO is the method employed by alert, progressive firms for the efficient duplicating of any data that is typed, written, or drawn.

Ditto swiftly delivers up to one hundred exact copies of orders, invoices, statements, requisitions and the thousand-and-one other forms essential in modern business.

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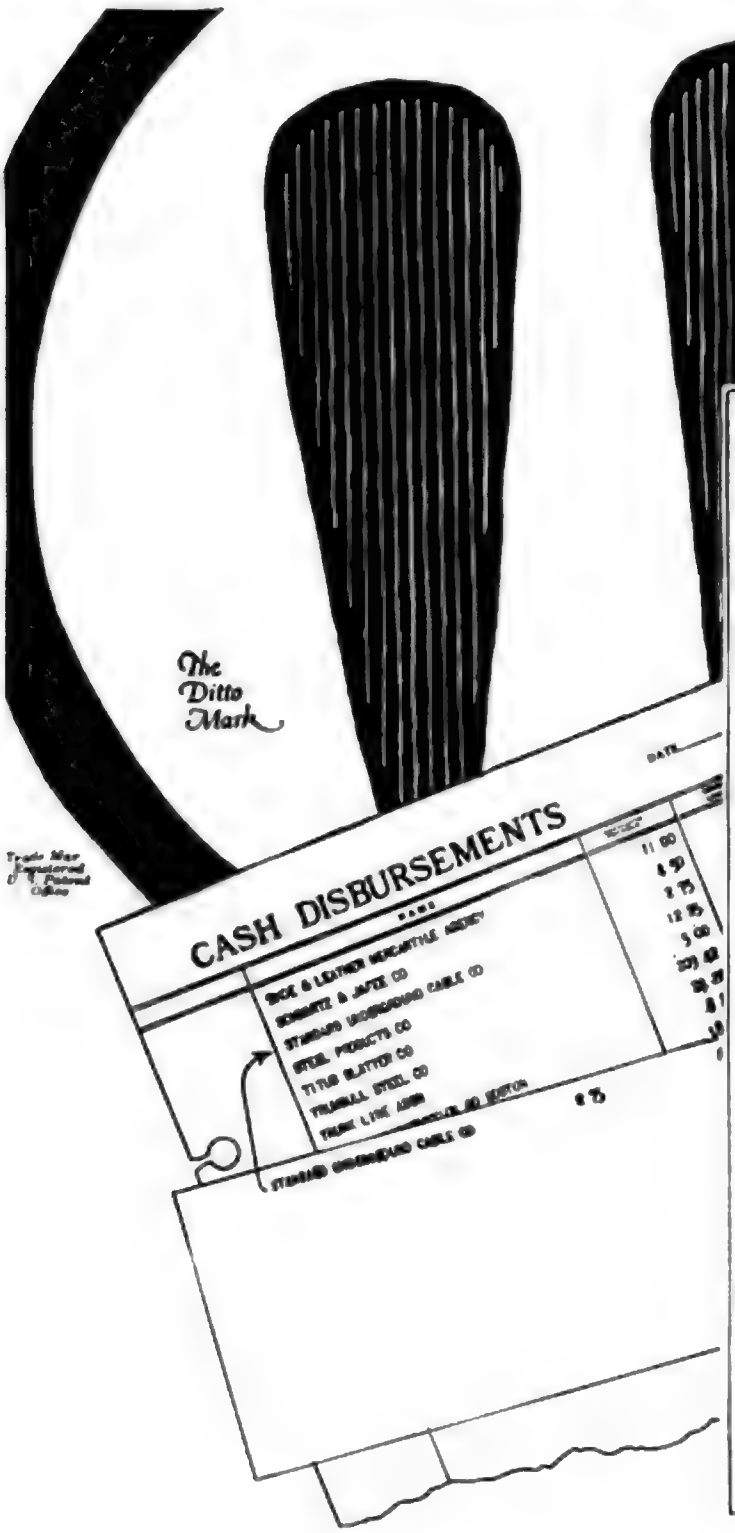
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DUPLICATOR MANUFACTURING CO.
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THE QUICKEST WAY TO DUPLICATE



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No. 2—"*Cash Disbursements*"

Cash disbursements are swiftly, accurately and neatly handled when Ditto is employed to complete any good mechanical bookkeeping installation.

Ditto perfects the efficiency of this particular work just as it cares for cash receipts, journal entries, stock records, pay and labor accounts and all other tasks.

The cash disbursement sheet is written up in the usual manner, using a Ditto ribbon in the typewriter. Then, with the Ditto Machine, unit posting slips of any convenient size are drawn in a single operation from the face of this sheet. Each single entry is duplicated—not copied—without chance of error. Unit posting media made by Ditto are accurate, legible and easily handled.

These slips are quickly distributed according to their proper ledgers. One or several persons may perform the entry work, this feature saving time and affording early, accurate balances with no errors to retrieve.

Of course, as many copies of the cash disbursement sheet as may be desired can be drawn before or after the posting media are made. The entire operation requires only a few minutes. Various executives or departments may have instantaneous information of the day's disbursements.

Such error-proof dispatch in no way hinders Ditto's work for other departments or other phases of mechanical bookkeeping.

Ask the Ditto Man; or ask the representative of any efficient mechanical bookkeeping system to show you what Ditto will do for you in your accounting department.

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Why Gamble?

The basic Law of Action-Reaction governs both speculative and investment markets. While it is impossible for any one to anticipate "day-to-day" ripples, the great major movements are regular almost as the tides themselves.

Babson's Reports

Based on fundamental statistics, carefully forecast these major movements. They enable you to find the real "buys" at low tide—to sell out as your holdings reach near the peak—and then to buy in again at close to bottom prices.

REPORT ON REQUEST

A recent Babson Bulletin and our booklet, "*Getting the Most from Your Money*" will be sent to interested investors without charge.

Merely ask for Bulletin No. H42

Roger W. Babson's Statistical Organization
Wellesley Hills, 82, Mass.
(Suburb of Boston)

The Largest Organization of Its Character in the World

CUT OFF HERE

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Write Roger W. Babson, founder of the Babson Statistical Organization, Wellesley Hills, 82, Mass., as follows: Please send me Bulletin H42 with details of Babson Method of Investment, and booklet—"Getting the Most From Your Money"—gratis.



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will be interested in the latest **Haico Quality Product—Rotary Duplicator Ink No. 11.**

This is the best ink obtainable for use with the Mimeograph, Neostyle and similar stencil duplicators. It is especially suitable for use with all papers, dries rapidly on bond and other hard finish papers, and where interleaving is not used it will not offset to the degree found in other inks.

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par value, New York Trap Rock Corporation 6 per cent Serial Gold Bonds. I will sell to yield you 8 per cent on any maturity from one to nine years. Act quick. Write direct to

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"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

THE COLYTT LABORATORIES – Dept. "T"
6 W. Washington Street, CHICAGO, ILL.

The People Sit in Judgment

(Continued from page 9)

workers in other cities of the state.

And finally the court held that "the wage paid by the respondent is unreasonably low and is not a fair wage," and that "a fair wage to be paid the complainants and others similarly situated and employed by the respondent is sixty-seven and one-half cents an hour on the basis of an eight-hour day, time and a half for overtime and double time on Sundays." The opinion was backed up by an order.

Living costs have constituted the basis of the court's consideration in most cases involving questions of changes in wages. Thus, when a Topeka corporation decreased wages to its employees and when the employees appealed to the industrial court for adjudication, the court heard the testimony of executives of department stores in Topeka concerning the comparative retail prices of staple commodities in 1920 and 1921. Thus, the department store list showed that ginghams and percales had dropped from 45 to 25 cents a yard, muslin from 35 to 19 cents, shirtings from 45 to 25 cents, silk hosiery from $3 to $2 a pair, men's cotton socks from 25 to 12½ cents, overalls from $2.50 to $1.79, women's dresses from $75 to $55 and $60—and so on for a score or more of items. The court got figures from a grocery concern showing the drop in prices of food; from coal dealers the judges learned that coal prices in Topeka had not decreased but had increased, and from real estate dealers they learned that rents had remained stationary from 1920 to 1921. This case, a bit more complicated than some of the others, is a recent one; when this article was written the court had not yet given its decision.

Precedent, greatly revered by the law, is no fetish in this industrial court of Kansas. Precedent, in the view of the court, is all right as far as it goes; but in some instances, the industrial court has found in blazing its brand-new judicial trail, precedent doesn't go far enough. For instance, there are the precedents that have been established by the courts of the land in ruling on whether certain kinds of matter is admissible as evidence. Section 3 of the industrial court law provides that "in the taking of testimony the rules of evidence, as recognized by the supreme court of the State of Kansas in original proceedings therein, shall be observed by said Court of Industrial Relations." But Section 26 of the law reads, in part: "The provisions of this act and all grants of power, authority and jurisdiction herein made to said Court of Industrial Relations shall be liberally



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You owe it to yourself to be able to

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the man who is phoning you that important information. And long distance calls—if you could only

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you would save money, dispense with mistakes and avoid wear and tear on your nerves. That's what the

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is for—it frees you from your telephone troubles—fits like a physician's stethoscope and leaves *both* your hands free to take notes or find records while talking—and we only charge $2.00 for Model A shown above, and $3.50 for Model B, an appliance permitting two people to listen comfortably on the same phone. To

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ask for the little appliance sold by

ROBERT I. ERLICHMAN, Inc.
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Exclusive Distributors Wanted



Save Your Waste Paper

PRACTICALLY every business house is daily disposing of large quantities of slightly damaged and soiled stationery as waste. Most of your present waste can be conserved and turned into scratch pads through the use of the

Golding Tablet Press

Blocks billheads, noteheads, letterheads and other office forms. Saves its cost in a short time.

No Experience Needed

One of your clerks, in a few moments, can produce a quantity of pads. Simple and easy to operate. Paper can be padded to any desired thickness.

Write for circular describing complete line of Golding products

Golding Manufacturing Company
Franklin, Mass.

construed." And the court, when in doubt as to precedent, has remembered Section 26 and gone ahead and set up some precedents of its own. There was, for example, the instance of the display advertisements from the newspapers.

Now a daily newspaper, be it known, is a thing of little standing in a court of law. The only time a judge on the bench considers an item in a newspaper as anything worth taking the time of the court is when that item has said something about somebody that is alleged to be libelous. And then His Honor will scrutinize that item and read it aloud and talk about it and weigh its statements so meticulously and at such length that he will bore to death even the author of the item. But, in any issue aside from libel, a daily newspaper as evidence? "Pish!" says the judge, "tush!" And a judicial pish, or even a judicial tush, is a fearsome thing.

But the Court of Industrial Relations desired to know something about living costs in a case involving a change in wages for the employees of a street railway company. The court had a look at the daily newspapers and found in them certain display advertisements specifying the prices at which certain retail establishments were willing to sell their goods. Those advertisements, the court observed, should constitute admissible evidence as to the cost of living in that city. Counsel for the street railway company was astonished; counsel was more than astonished, counsel was horrified; counsel said so; counsel read Section 3 of the industrial law concerning the established rules of evidence as recognized by the Kansas supreme court and cited many cases in which it had been held that daily newspapers were vastly beneath the notice of a court of law; counsel made quite a speech.

But the court was undisturbed. "Well," it said, in effect, "that's our ruling and we're going to stick to it. You have an appeal, automatic almost, to that same supreme court. The display advertisements shall be admitted as evidence. Proceed with the case."

The advertisements were admitted. The court heard the testimony and at the conclusion of the case granted an increase of 30 per cent in the wages of the street railway employees. No appeal was taken.

The Kansas Court of Industrial Relations is beginning the second year of its existence. As compared with a total of 364 strikes in one industry in the state in the thirty-two months preceding the creation of the court, there has been in all of Kansas and in all its industries that are engaged in public service or in the production or

ROTOSPEED
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Accept this offer. We will send you a Rotospeed Stencil Duplicator with enough ink, stencil paper and supplies for 24 different jobs. Use it—as if you owned it. Test it in your office—on your own work.

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In many cases the Rotospeed Stencil Duplicator saves its own cost in a day. It is quite probable that it will save you its entire cost during the ten days that you have it on trial. We want you to know how often you will use it, how much time and money it will save you, and how it will help in every department of your business.

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Only by selling direct to users, without salesmen, is this price possible. If after trial you are not perfectly satisfied that the Rotospeed is the best investment that you could make, ship it back and you will owe us nothing for the use of the machine or the supplies used.

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Either sign and mail the coupon below or attach it to your business letterhead. Tell us to ship you the Rotospeed on the free trial basis or let us send you samples of Rotospeed work and an interesting booklet, with full details of our free trial offer.

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571 E. Third St., Dayton, Ohio

Mail It Now

The Rotospeed Co., 571 E. Third St., Dayton, Ohio
Please send me, without obligation, samples of Rotospeed work, booklet and full details of your free trial offer.

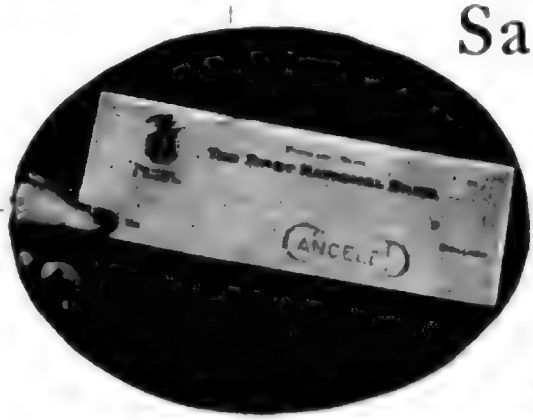
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YOU need not worry about your checks being raised, if you use Manco Safety Tint background on them. Any tampering with the name or amount, whether written with pen or typewriter, will erase the tint. This erasure cannot be hidden—it clearly spells tampering, *and will not be honored by a Bank.*

Manco Safety Tint is the result of many years of experimenting and we believe that it is now the best and the safest for checks.

The Manco Safety Tint can be made to reproduce your monogram, building or any design you may desire. Such a background on your check, done in soft color, lends quality and dignity which are very marked.

Specimens and designs gladly submitted.

THE FIRST NATIONAL BANK of Portland, Me., is using a lithographed check with the Manco Safety Tint background. A neat, impressive check, and, at the same time, a protection to them and their patrons.

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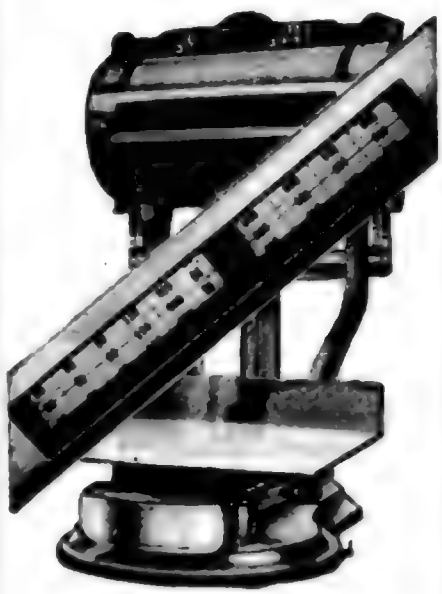
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Capacity, Seventy Pounds



Automatically weighing and computing to the full capacity of the scale.

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DAYTON, OHIO
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distribution of the necessities of life, just one strike—and of that single strike, more in later paragraphs of this article. How many strikes, how many curtailments of industry and of public service and of the supply of the basic necessities of life, have been prevented since the industrial law was enacted, there is no means of determining. By adjudicating cases actually brought before it, the court undoubtedly has prevented some strikes. But many others, it seems reasonable to concede, have been prevented, not by the application of the letter of the law, but by a public knowledge of the spirit of the code and by a widespread consciousness of its penalty.

For this law has teeth. In itself the Court of Industrial Relations has no criminal jurisdiction. But Section 18 of the creating law reads as follows:

> Any person wilfully violating the provisions of this act, or any valid order of said Court of Industrial Relations, shall be deemed guilty of a misdemeanor, and, upon conviction thereof in any court of competent jurisdiction of this State, shall be punished by a fine of not to exceed $1,000, or by imprisonment in the county jail for a period of not to exceed one year, or by both such fine and imprisonment.

Section 20 also provides a fine of not to exceed $5,000, or a penitentiary term of not more than two years, or both, for any employer or any officer of a labor union who uses his official or authoritative position to influence or compel others to violate the law's provisions. And violation of those provisions includes such acts as lockouts on the part of employers and strikes on the part of employees.

The Court of Industrial Relations itself may not inflict the penalty; but the court may go, or send its official attorney, into a state court having jurisdiction and act as the plaintiff in a prosecution for violation of the terms of the code. And this the court has done.

This mid-western drama of human relations has its villain. At least, the judges of the industrial court regard him as the villain of the piece. In the eyes of the judges he is also the fly in the ointment. He it was that called that single strike that spoiled what would otherwise have been a no-strike record for Kansas in the first year of the Court of Industrial Relations. His name is Alexander Howat.

A Scotchman is Howat, and president of District 14 of the United Mine Workers of America, the district that takes in Pittsburg and its coal mines. A fighter is Howat, and a fearless one. Judge Huggins himself has said of this fighting Scot: "He is a most forceful man, a man of brains. I think he is one of the ablest men I ever met, [illegible]

haven't the least animosity toward Howat, but I think he is wrong."

Alexander Howat, on his part, thinks that the Kansas industrial law is wrong. He knows that law and knows it intimately. He has felt it. Early in 1921 Howat—so it was alleged—called a strike of 200 miners in a controversy between the mine operators and the workers over the age of a mine employee. Subpenaed to appear before the Court of Industrial Relations to testify concerning the cause of the strike, Howat did not obey the summons. "He said," as Judge Huggins related the story to me, "he said of the Court of Industrial Relations that there wasn't any such animal. His contention was that, constitutionally, we didn't exist."

The Court of Industrial Relations appealed to the district court in Pittsburg, asking that tribunal to issue an order to Howat to appear before the industrial court. Such an order was issued, and, when Howat still refused to appear, the Court of Industrial Relations, through its attorney, went into the Pittsburg district court as plaintiff and prosecuted the miners' official for contempt of the district court. Howat was found guilty of contempt and sentenced to a year in jail.

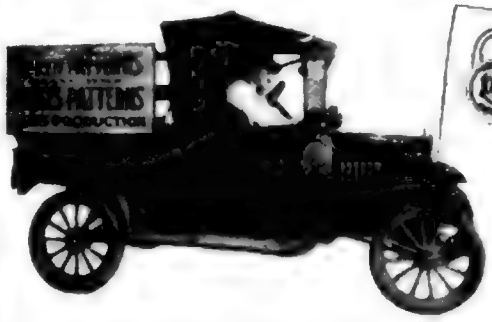
Kansas makes no claim of having arrived at an industrial millenium. Kansas points with pride to its virtual freedom for a year from the sort of industrial warfare that makes itself manifest in strikes and the cessation of industry and in public discomfort and suffering. But Kansas admits that it, a prairie state and an agricultural state, is nevertheless a national laboratory in which are being tested a new formula and a new process in the chemistry of human relationship; and Kansas admits that the test is not yet complete and that whatever conclusions it has thus far evolved may not be final.

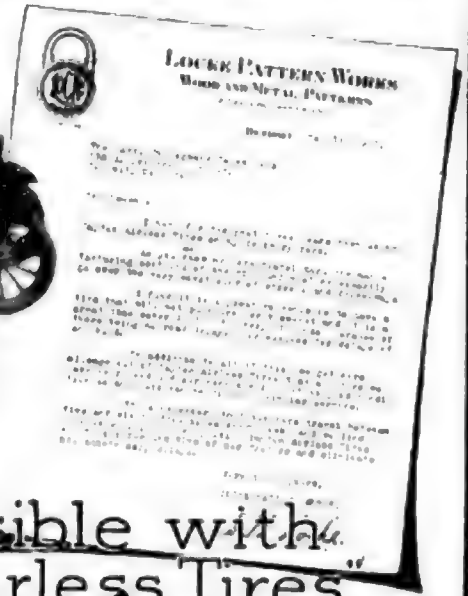
"But it seems to us Kansans," said Judge Huggins, "that we have taken a long step forward. It may turn out that we have slipped a little in our technique. But at least it appears that our principle has been right and that we have moved in the right direction.

"Organized labor has shown a division of opinion over what we have done. What's going on down there in Pittsburg under the leadership of Howat represents one of the divisions. What has happened in this court, when other leaders of labor have come in, voluntarily and sympathetically, to help us arrive at our facts and reach our conclusions, represents the other division.

"The truth is, you see, that this law is neither a labor law nor a capital law. That, I suppose, is why labor is divided on it; one division sees the law

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No matter how hard your delivery service is, you can be sure that Dayton Airless Tires will give you the cheapest tire service you can buy.

Piers of two-compound rubber take the place of the inner tube. They give both support and easy riding resilience.



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Figure what delays due to tire trouble cost you in time of the car, time of the driver and satisfaction of your customers. There are NO tire delays with Dayton Airless Tires.

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Thousands of delivery cars equipped with Dayton Airless Tires are proving daily that the Dayton Airless Tire runs farther and costs less per mile than ANY OTHER TIRE MADE.

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Dayton Airless Tires are made in Ford sizes only—30 x 3 and 30 x 3½ inches. If you are using delivery cars or light trucks equipped with these sizes, write us today and we will show you how you can reduce your delivery expense.

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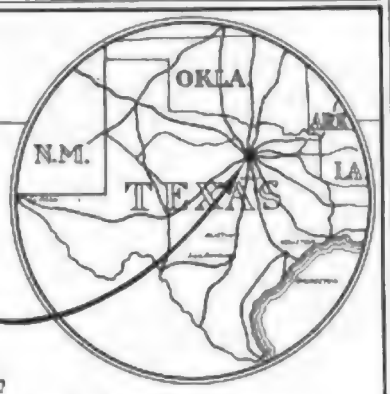
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Model 100A
42x28 1-2 inches when open
29 inches wide closed. Made in quarter sawed oak and mahogany.

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WATCH your stenographers for a few moments. Notice the time lost in searching for the proper stationery or form. But don't blame the stenographer. She is doing the best she can with her old-style typewriter desk and she'll welcome an opportunity to make all her time productive with a

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Keeps stationery, envelopes, carbons, special forms, etc., in separate, easily accessible compartments. Helps the stenographer to do more and better work in less time by eliminating all unnecessary delays in locating the proper form. Saves the time of both stenographer and dictator.

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from one angle, and the other from the other angle. Capital, thus far, has not attacked the law; and yet, as far as the interests of capital are represented in the law, capital has as much reason to attack it as has labor. Capital and labor have access to this court equally easy, and within the court they have equal rights; each has the same easy method of appeal to the state supreme court for review of our findings.

"But this is a people's law. Through this law the people of Kansas say, to capital and to labor as well, 'You shall not scrap between yourselves and become so interested in your scrapping that you neglect us or cause us hardship. If you have differences you must come to the industrial court to settle them and you must not resort to lock-outs or strikes.' We, the judges of this court, are not arbitrators, with one of us representing one side of a dispute, another representing the other side and the third supposedly neutral. We represent the people, sitting in judgment in matters that directly concern them. And our highest duty is to the people."

"And how," I asked Judge Huggins, "do the people of Kansas like this industrial court of theirs?"

"Well," he said, and smiled, "public opinion is a hard thing to determine, unless you can determine it by what the people do at the polls when they get their opportunity to vote. When this industrial law was passed by the legislature, twelve members of the assembly voted against it—eight of the one hundred and twenty-five members of the house and four of the forty members of the senate. Not one of those twelve was re-elected last fall. In one county, for instance, a Republican who had voted against the bill was defeated by a Democrat—and this, as you will remember, in a nation-wide Republican landslide. In other counties, too, where candidates—Republicans and Democrats alike—who had voted against the industrial law were up for re-election, the people seemed to ignore party lines and make the issue the fact that these men had voted against the Court of Industrial Relations. Anyway, the twelve didn't come back."

Home Credit Problems

Browning's Magazine published by Browning, King & Co., clothiers, N. Y., prints the following dialogue between husband and wife at the breakfast table:

"Swinburne, what do you think: the butcher has refused to give us any more credit."

"Well, my dear, perhaps we ought to give one of the other butchers a chance."

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Say It With Pictures

(Continued from page 15)

it certainly is in rate-setting. There's so much chance for error or inequality in setting a piecework scale that somebody is forever climbing the ratesetter's frame and calling him a boob. It's the executive when it's a hair too high and the union when it's a hair too low.

"They like to say we don't know enough about the actual processes and that we can't read 'specs,' but even a corking expert in our business can do a better job and a quicker one when he can get a good look at photographs of the thing itself and not have to wade through fifteen or twenty blueprints every time he wants to settle some detail or other.

"Suppose we are setting a rate for the assembly on an air hammer, for instance. In many respects it is similar to six or eight other hammers of different types. A glance at pictures of those six or eight goes a long way toward standardizing rates that are fair."

And while it is in this business of standardizing, the lowly photograph takes a hand not only in producing but in packing goods for shipment. One company makes more than a thousand products, varying from castings the size of a house to fragile glass instruments weighing a half-pound, and it makes them in a dozen different cities. Everything must be packed—or at least anchored on a car. The company's biggest packing job is to teach all the packers in all the plants how to profit by what the experts know.

A new product was developed, a device bearing two plates of composition much like phonograph records but more brittle. These plates must be fastened in position on top of the device before it can be shipped. The plates have persistently cracked in transit. All sorts of packing schemes were tried, but finally the packing specialists hit upon a method of suspending the device within its box. Written directions for packing this instrument in other plants never could visualize the method so accurately as a photograph. So photographs illustrating every step in the packing were made and distributed with excellent results.

A maker of varnished cloth used in electrical insulation suffered the occasional loss of a shipment when the rolls in the box were ruined by lack of ventilation. So holes were bored in the box and the package was "floated" inside a larger box. This was successful. Pictures of the packing made the method so clear that it can be applied by any mechanic who knows how to drive a saw and swing a hammer.

As for teaching safety lessons, hear



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Made of solid, kiln dried oak and furnished in Golden, Natural or Weathered finishes. Birch Mahogany 10% extra. Every one of the joints in the frame of this file is interlocked, glued and screwed, guaranteeing a long-lived, non-rackable letter cabinet. Drawers are equipped with easily adjusted follow blocks to keep contents in vertical position. An assortment of drawers enables one to arrange a cabinet to provide for the filing of most any standard size business cards and papers. Files can also be had in most any accessible heights and in Cap and Invoice widths in addition to the regular Letter widths.

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Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

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Send us a set of your present forms with yearly needs of each. Our Service department may be able to save you time and money.

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LOST TIME IS LOST MONEY

CHECK IT

Do You Know what time that batch of orders, letters, contracts came in—or left the office?—that the one sure way to accurately check up on all the little time-consuming operations of the day, in office and factory alike, is the

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an experienced man in charge of safety work in a factory that employs about 20,000 men and women of all grades and all nationalities. He says:

"Day in and day out, pictures do it better than any other method ever discovered. Take pictures of the places where accidents occurred, and pictures of injured limbs and of hands and arms swollen black as a result of the victim's failure to take advantage of the medical attention the factory offers. The more grisly the picture, the better. Post them where men must look at them.

"Some people object to gruesome pictures in this business, but I've found that kind is best. Better give a man a shock and make him remember than try easing the lesson over to him—and let him lose a finger, or a foot, or a life, as a result.

"Teaching safety pays such big dividends that any methods that produce results ought to be adopted. I've seen production fall off 50 per cent for two weeks in a room where some fellow had been maimed in sight of his friends. You never can figure how much an accident will cost a company. How would the cost of a few pictures balance up against those two weeks, for instance? I don't see why other factories don't use pictures more; they are so cheap."

Yes, pictures are cheap. In one plant that maintains a good-sized photographic organization and makes about 10,000 prints from 200 to 300 new and old negatives every week, ordinary silverprints cost about 15 cents each and blueprints from the same negatives 5 cents. They are so cheap that charts and tables of figures and the like are often photographed and printed off in great numbers faster than a battery of busy stenographers could do it, and at much less cost.

In Americanizing foreigners the photograph is just coming into its own. Its success in that field is due largely to the fact that the photograph speaks the only universal language. The class in beginners' English, groping to learn what "I arise in the morning" means, gets the idea instantly when a picture of a man arising is shown alongside the chalked phrase on the blackboard. No matter whether they came from Bangkok, Beirut or Bologne, they can more quickly get the meaning of the word "shovel" when they see a picture of that useful tool on the board beside the written word.

Labeled pictures of the ordinary tools and machine parts cut in half the time needed to give them a vocabulary of their day's job.

In abstract subjects like government, for advanced Americanization classes, nothing is quite so lucid as a



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Steel shelving and dividers are adjustable. Any cabinet can be expanded in height or width as they "stack" perfectly.

Cabinets and wardrobes are interchangeable by inserting or removing interior equipment. One door wardrobe may be made double and the other door added.

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Send in coupon for all particulars.



This is the single door wardrobe. May be doubled or converted into a storage cabinet



This counter height cabinet can be added to in height or expanded to any size

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Please send me illustrated booklet showing and describing Terrell's Steel All-Purpose Office Equipment
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Adding Debits Subtracting Credits Listing the Balance

A typical figure job that can be handled more quickly and more accurately on a REBUILT Burroughs Subtracting Statement Machine.

THAT'S the routine of making statements—a routine which, if handled under the old pen-and-ink system becomes burdensome, monotonous and fatiguing and results in a month-end jam which delays statements. It produces errors that lose money or customers for the business.

Since monthly statements are essential to your business why not handle them in the easiest and most accurate way? A Burroughs handles the routine work—as you list debits, the Burroughs adds them; as you list credits, the Burroughs subtracts each credit from the total in the machine; when you finish, the Burroughs has the balance which it prints on the statement. Errors haven't a chance.

Writing statements on a REBUILT Burroughs takes only a short time each month. During the month however, the machine can be used for analyzing sales or any one of a hundred other figure jobs.

A REBUILT Burroughs Subtracting Statement Machine offers you a double chance to save because it is offered at a greatly reduced price, yet it brings the great saving in time and money characteristic of Burroughs Machines. These machines are standard in every respect, thoroughly rebuilt and are sold under the same guarantee as a new machine.

For further information or for a demonstration telephone the nearest Burroughs salesman. Your directory or banker will give you the address.



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327 Broadway - - - New York City

chart that diagrams the course of a bill through the state legislature from filing with the clerk to signing by the governor. Photographs of this chart may be distributed to class members for study at home. An Americanization director who has adopted the picture method is authority for the statement that for this purpose photographs are superior to any textbook.

In the research laboratory the photograph does freakish things such as making, by the light of a flash of electricity, a clear view of a body moving too fast to be seen by the human eye. There, too, it sometimes discovers the invisible working of natural laws—for example, the exact form in which electricity discharges. In industrial patent suits it has frequently been a valuable witness for some concern that habitually photographs every new device at every stage of its development.

And so it goes. From front gate to back, and from the manager's hands to those of Casimir Slovak's, the photograph is being called into play everywhere for the good of all industry.

The Store in the Window

(Continued from page 24)

summer underwear in October and November. Common sense dictates many rules such as those; but common sense, in the Ober opinion, doesn't go sufficiently into detail. It leaves too much to memory, or to guesswork.

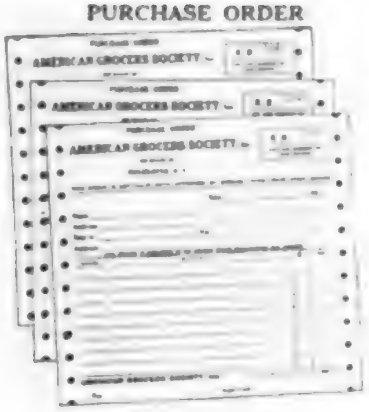
It is, say, the first of June. On this day, as on the first of every month throughout the year, every department head in the Ober store gets from the office a report of the sales his department made last June. Last June, we'll assume, was a record-breaking summer month. Let's see; what were we showing during the first week of June last year?

Out comes the window display chart and its accompanying record for the first week of last June. Naturally, it shows only "summer stuff." But specifically, what lines and kinds of summer goods? Athletic underwear, of course, and straw hats and lightweight suits and flannel trousers—all those things are obvious. But here's a detail: Last June, in Section 22, we were showing those silk jerseys that the boys out at Kansas University called their "petting shirts." The boys bought a lot of those jerseys to take home with them for the summer vacation. Then, after the boys left, the town girls began buying those silk jerseys—made a regular run on 'em, in fact. Put 'em in again!

Last year, so the record shows, we gave a window section to Boy Scout merchandise. Lawrence has fourteen Boy Scout troops, and Ober's Boy

ADVERTISING SECTION

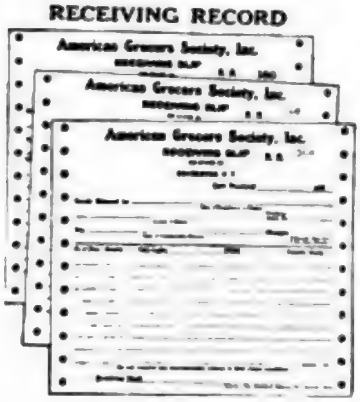
PURCHASE ORDER





How the American Grocers Society Controls its Purchasing, Receiving and Shipping Records

RECEIVING RECORD



BILL OF LADING



THE American Grocers' Society, Incorporated, with headquarters at Newark, N. J., having sixteen branch houses and over two thousand members scattered over the United States, use Standard "Kant Slip" Manifolding Registers in all of their branches.

By this system the home office has perfect control over its branches as well as its own transactions in all purchasing, shipping and receiving of goods. It gives them a triple check on all their business, kept in a simple, yet accurate manner.

Positive Alignment

The patented features of the Standard Register which guarantees positive alignment of all copies insures absolute accuracy.

This machine has exclusive features that have revolutionized the use of manifolding devices. No matter how many carbon copies of forms you may need, whether they are printed on the same or different colors of papers, regardless of how complicated the forms may be, all will be exact copies, perfect in alignment. You may use two copies or six. In either case the machine operates without binding. The carbon paper will not crumple or tear and no time will be wasted in repairs or adjustments.

Applied to All Lines of Business

Standard Registers save money through the economy of roll printing, which costs less; through time saved in writing orders, bills, etc.; through the elimination of errors; through the systematizing of work to be done; through the control of records, enabling a positive check; and through the centralizing of responsibility. They are used wherever one or more copies of an original record are desired, in all departments and in practically every line of business.

Our Service is Free

If you are interested in better methods—methods that will save expense, reduce overhead, give you better control of different departments and eliminate errors—our Service Department will be glad to provide you with samples of forms and suggestions that will aid in accomplishing the results you desire.

Mail Coupon

Just indicate on the attached coupon the kind of forms in which you are interested and we will be glad to send you, without obligation on your part, a bulletin describing Standard Manifolding Registers and samples of the most modern methods used in handling any of the items listed thereon.

THE STANDARD REGISTER COMPANY
69 Albany St., Dayton, Ohio

Standard Manifolding Systems and Roll Printing

• Roll Printing Costs Less •

CHECK

Pin to Letterhead

The Standard Register Co.,
69 Albany Street, Dayton, Ohio.

Without obligation, send me booklet and samples of forms showing most modern methods of handling items checked below.

- ☐ Bills of Lading
- ☐ Express Receipts
- ☐ Invoices
- ☐ Shop Orders
- ☐ Purchase Requisitions
- ☐ Receiving Records
- ☐ Delivery Records
- ☐ Sales Records
- ☐ Stock Records
- ☐ Piece Work Records
- ☐ Departmental Orders
- ☐ Repair Orders
- ☐ Special Requirements

Clean as a Sheet of Writing Paper

PANAMA
BRONZE
CARBON
PAPER

Clean, Clear Copies!
LIKE ORIGINALS!



For NOISELESS machines Panama Bronze Noiseless produces perfect carbon copies.

If there is not a Panama dealer in your city, send direct to us for samples, with the name of your dealer, and we will include an interesting chart to help you solve your manifolding problems.

MANIFOLD SUPPLIES CO., *Manufacturers*
BROOKLYN, N. Y. (Station L4) U. S. A.

FOR NEAT CORRESPONDENCE *LONG-WEARING* PANAMA RIBBONS
"Panama Your Letters"



PATENT APPLIED FOR

Your Office Should Have This Typewriter Desk

It Saves Office Space

Made of one-inch Tubular construction, black enameled, nickel plated feet. Can be adjusted to an uneven floor. Five-ply veneered oak top. Will not warp. Drawer underneath. Strongly built. Will last a lifetime. Paper container has five compartments. Is more accessible than the regular drawer. Operator can reach and pick out what she wants. It is so close that one need not bend the body. Saves from 25% to 50% in office space, which is money.

Write for prices and illustrated folder.

AUTO PARTS MANUFACTURING COMPANY
Makers of Special Tubular Products
1815 Trombly Ave. Detroit, Mich.

"Your mistake was costly, Miss Lee"

You cannot blame your stenographer for errors if she works under constant strain and without proper equipment. Provide your office with Ludington Copy Holders.

THE LUDINGTON COPY HOLDER



holds the work—single sheets or note-books—in front of the typists eyes, above the machine. Does away with the tiresome necessity of looking sideways at notes. A moving bar follows the lines and marks the place on the page. Makes for greater speed and less frequent errors. Begin by trying one.

Six sizes
Send for Booklet "B"

THE BEATON & CADWELL MFG. CO.
NEW BRITAIN, CONN.

The Ludington fastens easily to any desk, and folds out of sight when not in use.



Scout department has become recognized as their base of supplies. At this time last year the Scouts were equipping themselves for their summer campaigns. Scout stuff, then, goes into this week's display.

And so it goes, detail by detail, with the record of sales—and other considerations, of course—guiding the window display schedule and the window display reflecting itself in the record of sales.

There is still another direct application of that window display record to the operating of Ober's store. A customer comes in to buy, say, a pair of oxfords. He knows exactly what he wants, but he cannot describe the shoes except vaguely.

"You had them in the window last week," he tells the shoe salesman. "I noticed them then, but decided I'd wait a while before buying 'em. Now I want those shoes. They're brown, rather broad-toed and heavy-soled, but they're not brogans. They had a number on 'em, but I didn't notice what it was."

Without the record of window displays a half-hour of that salesman's time might be taken in ascertaining just which pair of oxfords the customer has in mind. But in Ober's store the salesman refers to the record of last week's window display. He shows the diagram to the customer and asks, "Where were those shoes in the window?"

"Right there," says the customer, indicating Section 5.

Below the diagram, in the detailed record of displays, Section 5 is shown to have contained, among other articles, one pair of oxfords of Style No. 2116.

"Those are the ones," the customer says, when oxfords No. 2116 come forth from their box.

Display windows, even though they be run by chart and by schedule and thus become nearly self-operating, cannot yet do one certain thing. They can't dress themselves. And, in the Ober opinion, your charted and scheduled and nearly-automatic display windows may as well be boarded up—if they are not well dressed.

Those Ober windows are different. It isn't merely that they are overcrowded, although one does notice that the window trimmer has caught the trick of seductive simplicity. It isn't merely that the colors harmonize and balance each other, although one suspects that someone with a sense of artistic composition has placed those colors where they are. But besides the simplicity and the harmony and balance there is unity—a unity of thought. The things that are grouped together belong together; they supplement and complement each other. That section,

for instance, with all its space given to just three articles—a silken creation, with the faintest of faint green stripes, that is called a shirt; thrown across the shirt, just careless-like, a ravishing green cravat; and down stage in front, all by themselves, a pair of cuff links with settings that gleam in the same bewitching shade of green—that section is a textbook on the art of window dressing. In that section—as in every Ober window—there is eye-attracting beauty, coherence of arrangement and the sort of good taste that makes the average man believe that he possesses the same good taste and that makes him desire to display his taste in his own dress.

In the Ober windows, too, there is life. It is the life of what an artist would call action. At first the observer is at a loss to account for that appearance of action. Then he sees the reason—in the athletic goods.

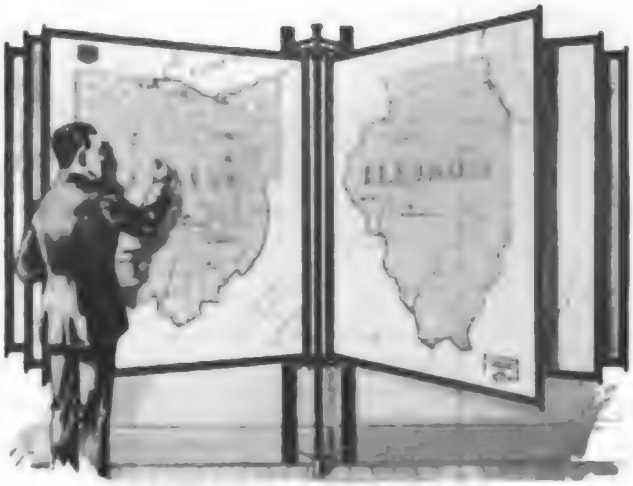
These athletic goods are not merely athletic clothing, although the windows have their showings of golf togs and the like. But with the golf togs there are golf bags and ready-made tees and caddy-bags full of sweet-looking drivers and mashies and putters. One section of the windows may be a baseball section, displaying an improved type of catcher's mask that looks something like an aviator's helmet and something like a bird cage gone wrong, two crossed bats, an outfielder's glove and a regulation baseball.

Behind that athletic equipment in the windows is an interesting little story of merchandising. When the athletic goods were "put in," Ober's had in mind the window displays. "We wanted something to put a little pep into the windows," the senior partner explained, "and so we put in the athletic stuff."

At first the athletic goods were merely an incident, a source of supply of action for the windows. It was foreseen, too, that they would draw customers who, once brought into the store, might buy other things. The Kansas University boys began going to Ober's for their tennis shoes and tennis rackets. Amateur baseball teams bought their equipment and their uniforms at Ober's. Sales of athletic goods began to climb. A little missionary work outside the store landed the business of the university.

From a single counter, backed by a single shelf of merchandise, the athletic goods corner expanded into a department in its own right and then grew so far beyond that that it had to be taken upstairs and given half a floor. Today, doing a business that is mounting close to the mark of $50,000 a year, that athletic department upstairs has become the show place of Ober's.

Here's Map Efficiency For You



Model 5 Multiplex. A style popular with sales and advertising executives. The removable, interchangeable wings hold 48 full-size state maps or less

MULTIPLEX
MAP FIXTURES

PROVIDES maximum map surface in minimum floor space. Your maps are always ready for convenient reference and close comparison. Stooping and eyestrain are unnecessary. The removable wings are interchangeable so that any two states or territories may be compared closely and with utmost convenience. The thumb tack composition wing filler makes Multiplex especially adapted to the map-tack system.

Made in many sizes of wall, desk, cabinet and pedestal styles, to suit every business requirement.

Write for efficiency booklet No. 10

MULTIPLEX DISPLAY FIXTURE COMPANY
920 North 10th St., ST. LOUIS



Time Saved is Money Made

An important factor in every industry today is the demand for quicker action, less confusion, less delay. Time spent in walking is wasted time—wasted money. Every department of the office or factory can be within arm's reach if you install the efficient time saver

STROMBERG-CARLSON
Inter-Communicating System

Always assures direct connections every hour of the day. Simply push one button *only*. No switchboard or operator required

Investigate—send coupon today.

Stromberg-Carlson Tel. Mfg. Company
Rochester, N. Y., U. S. A.

Dealers and Installers in all principal cities

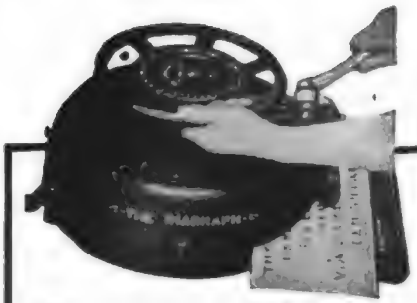


Stromberg-Carlson Tel. Mfg. Co.
Rochester, N. Y., U. S. A.

Please send me your book "Why Wait," and further details of your system.

NAME

ADDRESS



*"After careful accounting we find the time saved by this machine in our business is more than sufficient to cover the first cost of the machine and necessary supplies for the operation of it since its installation, and cheerfully recommend the Diagraph to all shippers * * * and we understand the Transportation Companies are now urging the use of stencils for all marking."*

THE F. N. JOHNSON COMPANY
Bellefontaine, Ohio

It Pays in Every Business

Put the Diagraph Stencil Cutting Machine in any shipping room and it will begin immediately to pay for itself with increased speed in marking packages, positively legible, no blurring, rubbing off or tearing of labels, minimum risk against transit losses and delays and a far better appearing package.

No Shipping Room Too Small—None Too Large

For more than 19 years Diagraph Stencil Cutting Machines have been in use in the foremost industries of America—ranging from the largest wholesale houses in the world to smaller concerns whose production is seasonable and limited—and in every case they are giving the same uniform satisfaction day after day.

There is a DIAGRAPH for every shipping need; with it you can perform a broader range of useful work than with any other type. It is simple and lasts a BUSINESS LIFE TIME.

Try It Before You Buy It

Prove to yourself, without a particle of expense, that the DIAGRAPH will avoid useless work, errors and delays in shipping. Simply ask us to send a DIAGRAPH today, prepaid. Give it a thorough trial. If you like it, buy it; otherwise return it at our expense.

Send also for a DIAGRAPH Shipping Facts book, which is full of valuable shipping information.

Shipping Room Supplies

Stencil board, inks, brushes and other shipping room supplies can be bought at marked savings direct from our St. Louis office or from branch office nearest you.

DIAGRAPH STENCIL MACHINE CORP.
1601 So. Kingshighway Blvd., ST. LOUIS, MO.

Branch offices in all principal shipping centers—see phone books

DIAGRAPH YOUR SHIPMENTS

The Credit Man Sees the Books

(Continued from page 22)

days." Another has tendencies distinctly bearish on Smith as a credit asset: "The account now open is for November. At one time they paid when due, but now they have become slow."

Thus the report is made up, every line of its tabulated text revealing the experience of some concern in selling John Smith, with here and there some enlightening supplementary comment. And thus the completed report, in its final stage, goes to the credit manager of the Black & White Company. Copies of the report go into the file of the Cleveland bureau and other copies go out to the concerns and the local bureaus that have contributed information.

Throughout its ramifications the system is virtually automatic; and its automatic operation extends even to keeping its information up to date. In the ordinary course of business, customers shift about. John Smith, of Youngstown, may be a new customer this month of the Black & White Company. Next month, perhaps, he will order a bill of goods from the Brown & Green Company and will become the subject of a new inquiry instituted by Brown & Green's credit manager. So long as Smith, in his dealings with the concerns that are selling him goods, keeps his credit clean, everybody will be satisfied and nothing will happen. But when he begins to lapse, or when he turns to a new source for his purchases, he becomes a center of interest; and every two months he becomes the subject of a new clearance. Every two months every credit manager whose concern is a member of a local bureau may thus scrutinize his customers by the light of their standings on the books of the "other fellows."

Throughout its details, too, the system is co-operative and retroactive, and these characteristics extend even into the occasional relations between participants in the system and "outside" concerns. Frequently it happens that one of the bureaus sends an inquiry to a concern that is a member neither of the national association nor of one of the local bureaus. Almost universally the outsider, interested in the report that will come to him in exchange for the information he may be able to give, fills out the inquiry ticket and sends it promptly to the inquiring bureau.

In its national form the interchange system is less than a year old. The files of the seventy local bureaus, however, have already accumulated a tremendous amount of information. The Cleveland bureau, for instance, has in

Executives

There are no dates of greater importance on your business calendar than those marking the

National Business Shows

These expositions of administrative methods and equipment, present in close perspective and under one roof the development of office machinery and systems as used by the most efficient corporations in the country.

Your time and that of your assistants cannot be used to better advantage than in visiting these expositions.

Progress—Efficiency—Economy and Conservation are the lessons taught.

CHICAGO
Coliseum, Week of Sept. 19

ANNUAL BUSINESS SHOW COMPANY
FRANK E. TUPPER, *Pres.*
50 Church Street, New York

New York Show, Week of Oct. 17



Which?

Are you using 5 volumes instead of 1 to keep your books? If so, you are using 4 too many.

Curwin's Accounting Method (one book only) is "made-to-order" for the small and average business. It reduces your bookkeeping expense—gives you more information about your business than you could possibly procure through any other bookkeeping method.

Aren't you interested in avoiding future trouble and expense? Without any obligation whatsoever, CONVINCE YOURSELF that the Curwin Method will do just what we claim for it. **Mail the coupon NOW.**

Curwin's Accountancy Company
261 Oliver Theatre Bldg.
SOUTH BEND, IND.

CURWIN'S ACCOUNTANCY COMPANY,
Dept. A. 261 Oliver Theatre Bldg.
South Bend, Ind.

Without obligation on my part, send me your booklet fully describing Curwin's Accounting Method.

Name.....
Street Address.....
City..... *State*.....
Business.....

s files the names of 250,000 customrs. Of these, it is interesting to note, ore than 40,000 were reported by a ingle Cleveland concern. Those 0,000 names, in fact, constituted the asis upon which the Cleveland ureau has built up its present list.

And now, specifically, how does the ystem operate to the benefit of its o-operators and participants? Two stances are interesting.

A salesman of the Cleveland Neckear Company sent in an order for shipment of goods to a stranger. leports on the prospective customer howed that he was a newcomer in he haberdashery field, with no credit ecord in that line. He submitted eferences and his references gave him clean bill of credit.

Just to make sure, however, Will S. ampbell, secretary and treasurer of he company, asked the Cleveland ureau for a report. The bureau made s customary canvass and reported hat this new haberdasher, now situaed in a distant city, had once been a etailer of hardware in another and qually distant city and as a hardware erchant had achieved a spectacular ailure.

Mr. Campbell was puzzled. "Must e some mistake," he told the Clevend bureau. "This man is selling eckties, not hardware."

The bureau checked back over its learance. "No mistake," reported he concerns and local bureaus that ad contributed the original informaion. "This is the same man." And o it was. The neckwear order didn't o out.

The United Electric Company, of anton, Ohio, had packed a $900 rder for shipment. The customer looked good." His references had eported favorably. But George A. uttner, credit manager of the comany, had asked for an interchange eport. The report showed a recent ecord of protested checks, of collecions by lawsuit, of past-due payments nd of no payments at all—an unnviable record that covered a whole heet of paper. A shipping clerk npacked the $900 order and put it ack into stock.

Versatility

If one may judge from the following want ad, the city of Niles, Michigan, roduces versatile young men. Apparently all that was needed to comlete the catalog of attainments was he statement that the advertiser can odel and double in brass.

WANTED—Young man, 25, high chool education, desires situation as raffic, shipping or mercantile clerk, or s waiter, truck driver, carpenter, ssembler or adv. writer; experienced.

—*M. W. B., care Niles Star Sun.*



An Invention Which Helps Executives Get Facts Quickly

Practically all modern office equipment is designed to save the time of relatively low-priced employees; here is an invention which vastly increases the capacity of the executive.

JUDGMENTS are formed and decisions are made by executives. The physical work of carrying out those judgments and decisions is done largely by relatively low-priced employees. Only a few have the ability to plan, judge and decide. Yet despite this difference in their value to an organization, most modern office equipment is designed to save the time of the employees.

We have typewriters, adding machines, loose-leaf devices, modern filing equipment—systems of every description. And they are invaluable, of course. But the need today is for something that will enable the executive to produce a greater volume of THOUGHT out of the TIME available.

Knowledge on Tap

No executive can hope to know every last detail of his business. He must constantly get reports from others. Department heads know or have their fingers on facts which the executive must be able to get instantly. This involves communication, and upon the ease and speed with which this communication is effected DEPENDS MUCH OF THE EXECUTIVE'S EFFICIENCY.

The push button is as inefficient for the executive as the quill pen is for his secretary; the push button produces an office of *walkers* instead of *workers*.

The telephone, operated from a switchboard, has proven highly unsatisfactory for inter-communication; it causes aggravating delays; it is distracting to the executive for it concentrates his mind upon a conscious physical act; it levels an organization for the ringing telephone means ANY ONE OF A THOUSAND PEOPLE MAY BE CALLING. The delays, the "Hello's," the interruptions to outside service, have proved the NEED for an efficient, independent inter-communicating service.

What Happens Now

In offices where the Dictograph System is installed executives reach their associates, assistants and employees instantaneously with no more physical effort than pressing a key. Every person called KNOWS AT ONCE WHICH EXECUTIVE IS CALLING and answers accordingly. Thus, the executive receives the instant attention which would be his if he were personally to appear in any office or at any desk.

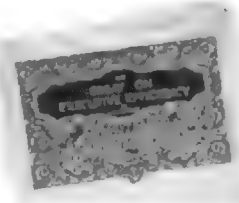
The loud-speaking master station on the executive's desk renders unnecessary any receiver being held to the ear (unless privacy is desired). The "visual" shows the executive WHO is calling HIM.

The Dictograph System makes it SO EASY TO ESTABLISH COMMUNICATION that information is obtained QUICKLY. The DIFFICULTY and DELAYS incident to old methods of getting facts have often caused executives to put off asking for them. The Dictograph System eliminates that cause of inefficiency.

A Remarkable Booklet FREE

We want to send you, absolutely free, a copy of "An Essay on Executive Efficiency." It analyzes the close relationship that exists between office and executive efficiency and dependable inter-communication. It gives you an entirely new conception of how to conserve your own time and thought. Many executives have said it is the most helpful and enlightening article they have ever read on the subject of Executive Efficiency. Also check the the coupon for a five-minute demonstration of the Dictograph System, if you would like to see just how it helps you. Mail the coupon NOW.

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CHARLES H. LEHMAN, President



220 West 42nd Street,
(1338 Candler Bldg.)
NEW YORK

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(1338 Candler Building)
New York City

☐ **5-Minute Demonstration**—You may give me a 5-minute Demonstration of the Dictograph with the understanding that it places me under no obligation.

☐ **Free Booklet**—You may mail "An Essay on Executive Efficiency," which analyzes the problem of inter-communication.

Name _____

Address _____
(Please attach to your letterhead) Bus. 9-21

ADVERTISING AND ADDRESS
STICKERS

Our Stickers grasp attention and interest. Our designers constantly produce novelties that are inexpensive business-getters. Whether it is a big or little order, we give it an expert touch that makes our Stickers distinctive.

We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

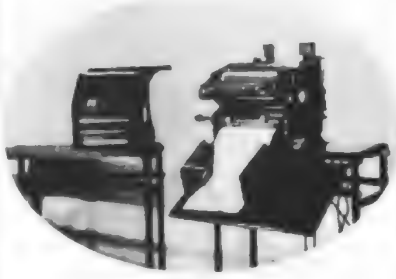
We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
1627 WASHINGTON AVE.
ST. LOUIS, U. S. A.

Multigraphs Like New

AT ONE-HALF COST



ALL models. Prices range from $130 up. Guaranteed to produce finest quality of work or money refunded in full. Guaranteed for two years, during which time we will replace free any part (except type) that wears or breaks. If machine is not satisfactory in every way will exchange without charge. Every machine has brand new complete type equipment, new platen, etc., insuring perfect work. Hundreds of satisfied users throughout the country. Operating instructions furnished. Machines shipped complete with all necessary supplies, ready to run. Send for price list 101.

Rebuilt Multigraph Exchange
Lincoln Building Philadelphia, Pa.

Group Buying—Yes or No?

(Continued from page 19)

deal of thinking about that little idea. He made up some groups of his own merchandise and succeeded in putting over half a dozen unusually large bills on the strength of it. And then—he ran into another merchandise manager who gave him a distinct shock:

"On your way with that stuff, young fellow—that doesn't go in this store," he said.

"I don't get you at all," stammered the salesman. "What's the matter with that idea? It gets the crowds and the business—and that's what you are looking for, isn't it?"

"Sure we want crowds and business—but not on that basis," said the other. "That idea may be good for a store—and again it may not. Anyway, I wouldn't risk it in this one, because I fail to see how it is fair to the customers; moreover, I think I can see a big possibility of a 'kick-back'—and then where is your pet idea worth a cent?"

"Come again, please," said the salesman. "Some of the biggest and best stores in the country are using that idea and are enthusiastic over it. You don't mean to say that it is not legitimate, do you? How do you figure that it is unfair to the customer, or that there is a possible kick-back?"

"Assuming that the price is, as you suggest, a 33⅓ per cent mark-up, for how much would you sell a $9 article?"

"It figures $1.12," said the salesman.

"And the $10.50 number?"

"That figures $1.31."

"And at $12?"

"That, of course, comes to $1.50."

"Exactly! Now suppose we take such a group and mark all articles at $1.29. The woman who picks out one of those for which we paid $9 isn't getting full value for her money—is she? Where does the 'bargain' come in, so far as she is concerned? And in these 'groups' you suggest there is always more of the lowest price numbers than any of the others.

"The woman who picks one of the $10.50 articles is getting exactly fair value—still no bargain, you see—and the few customers who are lucky enough, or good enough judges of merchandise to select them, are the only ones who really get the bargains.

"Of course it looks good, but I am wondering what would happen to this store if we held several such sales, and three neighbors who attended one chanced to get together and compare notes. The woman who got the bargain would naturally be elated—but the one who paid $1.29 for an article that should have sold for $1.15 at most wouldn't feel so very good about it, would she?

"No, thank you—not for this store.

SE

Bedrock Buying

TODAY everyone is trying to get down to bedrock in their buying. But this does not necessarily mean buying the cheapest article available.

The most economical envelope for any given purpose is the one which best suits that purpose; sometimes it is the lowest in price, and sometimes not.

Put your envelope problems up to us. We are mindful of the watchword of the day, "Economy," and our prices are always based on current conditions

The STANDARD ENVELOPE Manufacturing Company

1013 Oregon Ave., Cleveland, O.



Stop the Small Leaks

Don't throw away your old Multigraph ribbons because the ink gives out. They can be made just as good as new and used over and over again by simply renewing the ink.

HALCO
Multigraph Ribbon
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The merchandise men of these stores contend that to get the crowds now one must make an unusual offering of some kind. And when a store can advertise, say, 600 dozen aprons in three or four big groups—giving a wide selection of styles and patterns, and at but four prices—that makes an offering that the women seem to be unable to resist, and they turn out in numbers. The sales have proved it. Even the manufacturer has caught the idea, and is making up special groups of merchandise for his salesmen to offer to big stores—and some of them are selling unusually large bills on the strength of it.

Other merchandise men will not accept the idea, contending that while the store gets only its normal profit on the sale of the entire group, some customers are not getting value received for their money, and there is danger of a day of reckoning later. These merchandise men are not opposed to group selling, however. It is the group buying of which they fight shy. They frequently take odds and ends in certain departments, throw them into one or more groups and sell them at a special sale.

"But that's different," they argue. "The customer knows, when such a sale is advertised, that the offerings are 'cleanups' and that they are plainly offered as such. Customers cannot criticize us for doing this, because usually there are only a few items at any one price. Such items have been on regular sale at higher prices, and it is perfectly reasonable to throw them into a group and sell at a flat price."

The writer does not pretend either to champion or to oppose the idea. Some of the biggest and best stores of the country are using it successfully. Others will not adopt it.

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BUSINESS



VOLUME 2—NUMBER 12 SEPTEMBER, 1921 LUCIEN KELLOGG, *Editor*

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BUSINESS

Government—Now a Business

By Edgar C. Wheeler

CHARLES G. DAWES, first budget chief of the United States of America and right-hand man of the President in the financial administration of the biggest corporation in the world under the first working plan of businesslike management that that corporation ever has had, is on the job. There is no other phrase that so well describes Dawes at work.

The whole picture—the picture of our government moving forward, a bit uncertainly at first, to the tempo of a new rhythm—has its fascinating contrasts. "Don't expect too much of the budget," warn the conservative proponents of the plan. Then one sees Dawes at work, hears what he has accomplished already, remembers his past record for courage and vigorous action on big jobs—and is tempted to expect almost anything.

Uncle Sam's first budget plan for the control of federal appropriations became effective July first. Before July had passed the plan had done these things:

1—Compiled the first inventories of material and supplies.

2—Found duplication in governmental functions and eliminated it.

3—Combined some departments and co-ordinated others.

4—Centralized control of sales and purchases.

5—Prepared an estimate of sums to be saved by government departments on appropriations available for the current fiscal year.

And by the time you read this the first tentative budget of the great United States corporation will have been placed in the hands of President Warren G. Harding, now general-manager-in-fact of the corporation, by his right-hand man, this same Dawes.

The new budget law was enacted under the pressure of an increasing demand for relief from a staggering financial situation, aggravated by burdening taxes. From a document of paper and ink, the law has been transformed into a working program. For the first time in the nation's history the President has become the responsible financial head of the government, actually as well as theoretically.



PHOTO COPYRIGHTED BY HARRIS & EWING

Charles G. Dawes, director of the budget. The photographer has snapped him as he was leaving the White House after a conference with the President

Naturally everyone who is at all interested is asking: "How much is the budget going to save? How much will it reduce expenses? Will it cut our taxes?"

And this recalls at the outset that warning that was repeated to me by nearly every official actively interested in the operation of the new system.

"Don't spoil the budget by asking too much of it. Don't expect it to be a cure-all for government financial ills. Don't look to it to solve all the household worries of the American family. Be glad that it does offer some kind of a definite financial system. It may not be perfect. Give it time. And when it comes to the savings it will effect, you may talk in millions, perhaps. But stop before you get into billions. Don't paint rosy pictures."

The new budget machinery had been in operation just twenty days when Director Dawes submitted his first report to President Harding, estimating $112,512,628.32 as the sum that might be saved in government expenditures under appropriations already available for the current year ending June 30, 1922. This estimate was compiled from reports submitted to Dawes by heads of departments and independent establishments in response to a call for a tentative budget showing immediate reductions in expenditures for the current year.

Included in that sum is

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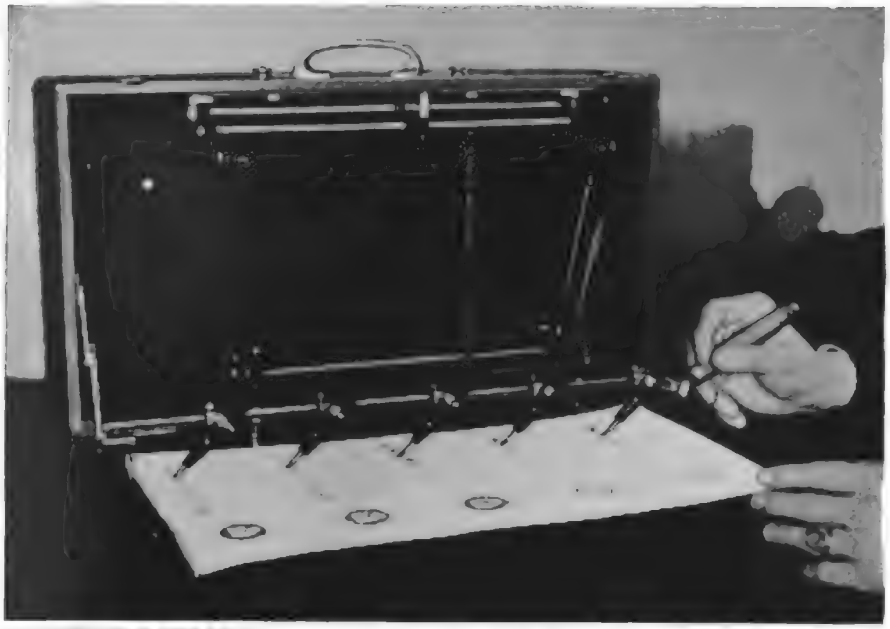


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One of the government's check-signing machines, guided now by a new hand

the item of $22,822,113.14 representing building and construction work to be postponed and paid for in future years from continuous appropriations.

"This fine response to your request from the heads of departments and independent organizations and bureau chiefs, incidental to your assumption of authority as the business head of governmental administration," said Director Dawes' statement to the President, "infers the existence in their minds of three principles involving improvement in governmental business, which should not be overlooked:

"First, that the business organization of government hereafter assumes that the minimum amount of money to be expended in any fiscal year is not, of necessity, the sum appropriated in advance by Congress, but the smallest amount upon which the business of the government can be efficiently administered under the program outlined by Congress.

"Second, that the minds of the business administrators of government have been diverted from a too easy reliance upon the custom of deficiency appropriations.

"Third, that where Congress has directed the expenditure of certain sums for specific purposes, an executive pressure will now be exerted for more efficient and economical administration in order to produce greater results from the given expenditures, and also, wherever possible, to complete the given project for a less amount than the total appropriated for the purpose."

The estimate of the sums that might be saved by the various departments and independent establishments were reported as follows:

State Department, $1,171,982.64; Treasury Department, $30,342,149.41; War Risk Bureau, $16,534,523.73; War Department, $15,000,000; Navy Department, $10,047,891.25; Interior Department, $19,827,191.37; Department of Agriculture, $1,687,802.14; Postoffice Department, $35,500; Postal Service, $14,920,421; Department of Commerce, $2,063,383.66; Department of Labor, $10,660; Department of Justice, $94,300; Government Printing Office, $1,123,536.70; Smithsonian Institution, $1,500; Federal Trade Commission, $25,000; National Advisory Committee for Aeronautics, $16,000; Federal Power Commission; $40,000; Arlington Memorial Amphitheater, $5,800; Civil Service Commission, $7,500; State, War and Navy Buildings, $90,555.

The report also shows that the Employees' Compensation Commission and the comptroller-general's office would require sums larger than had been appropriated. The total net saving would be $112,512,628.32.

Although no official figures to show the total amount of appropriations available for the current fiscal year had been prepared at the time this was written, the total had been estimated in round figures at four billions.

The important consideration about the budget at present is that it has set in motion the machinery for prying beneath the surface to look at the financial foundation upon which a sound, systematic administration in government may be built. And the most hopeful phase of the present situation is that, for the first time in our history, governmental departments and establishments are beginning to function under a responsible general manager in a businesslike corporation. The manager is the President of the nation.

Ultimate success for the budget plan will mean that the loose-ended parts of the thing we call government will be so co-ordinated and fitted together that officials at Washington, as well as the man on the street—who has a direct interest as a stockholder—may see a completed picture of government as a business establishment and may discover how it stands financially.

The success of the plan will depend on the support given it by thinking men who believe in system and order in government, as well as in business, and who are willing to fight to protect the plan from the designs of selfish interests and from the intrigues of politicians with appetites for pork.

Take a trip, if you will, to Uncle Sam's business headquarters; see how the business is run; and find out if possible, what the new budget system is doing.

The stranger who visits Washington is impressed, first of all, by the grandeur of its public buildings. He is thrilled with the romance and the history associated with the nation's capital.

Then, when he has seen the sights, he stands amazed at what he finds within those splendid buildings—the bewildering tangle of departments, branches, bureaus and commissions, the thousands of office rooms and the thousands upon thousands of clerks and employees.

"Hell and Maria!" the visitor may exclaim. "How could anyone untangle this mess? Harding must be a superman to see what it's all about and then remember it."

AND, if he remains awhile longer, the observer begins to discover that no one ever has untangled it, that the President never has learned what it's all about, what it is doing, how much money it is spending and how much it is taking in. The observer discovers that the government of the United States has been the biggest business in the world, and that it never has had an intelligent check on all its receipts and expenditures, and never has struck a balance of its books as a whole.

Never has it been possible for the President, as the highest officer, to place before his board of directors any financial program. Why? Because the President has had no way of getting the detailed information on which to base such a program.

The business has been run without a general manager. Department heads have gone directly to committees of Congress for their appropriations. No one of them has seemed to consider the needs of his department in relation to the needs of the business as a whole.

Congress, on its part, has not attempted to analyze department estimates intelligently or to consider them

as a whole. Receipts have been considered by one committee, and expenditures by another. It has taken thirteen general appropriation acts, piloted through the house by nine different committees, to authorize expenditures. Individual members of Congress have been allowed to abuse their power of initiating expenditures.

The helplessness of the President was described recently by former President Taft, during whose administration the movement for budget reform was started:

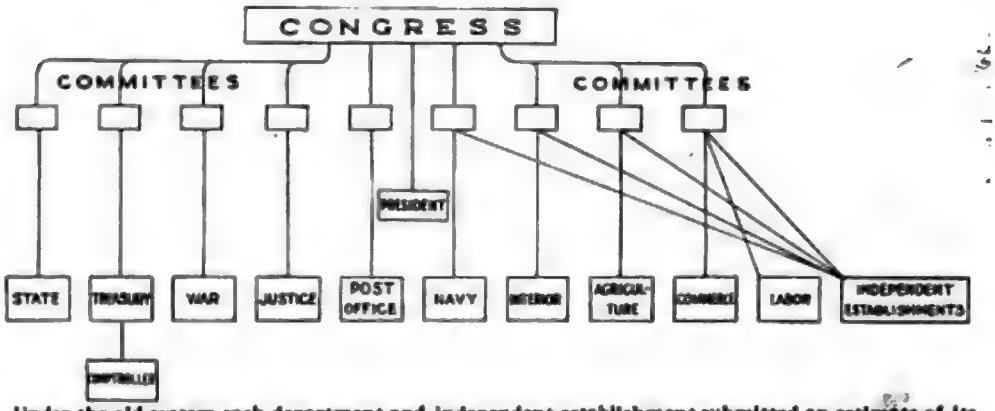
"I think we have not had a budget heretofore * * * because we have had such taxable resources that we thought we could do anything without testing or in any degree exhausting the amount that could be raised in revenue if it were necessary. Our discussions in politics have been on particular forms of extravagance rather than on totals. One reason why we have never had a great deal of intelligent discussion as to totals is because if you attempt to reach totals from the accounts of the government, you will find it takes an expert to do it, and then he is not certain. That is true because we have not the methods by which that can be done. * * * Now in my time there was no opportunity on the part of the President furnished by the law to have anything to do with the estimates, and I think that is the case today."

Carter Glass, former secretary of the treasury, gave a graphic picture of the situation when he said:

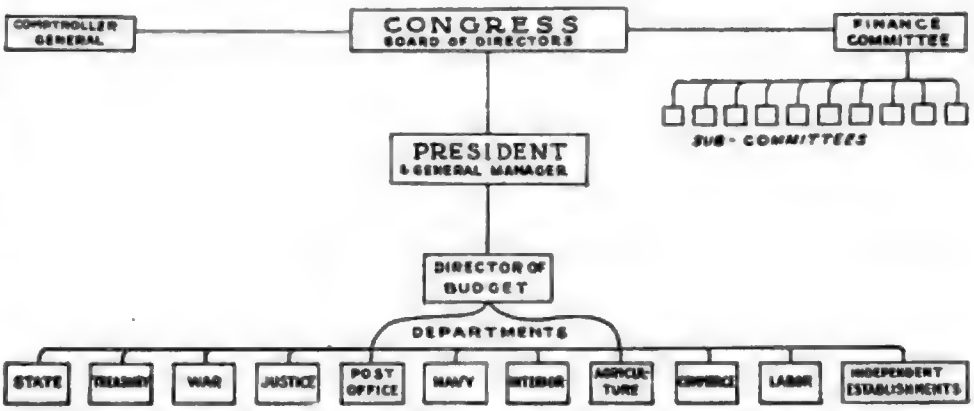
"The government of the United States is like a great company whose operating managers, publicity managers, sales managers, purchasing department, are given carte blanche to make expenditures * * * without consultation with or control by those officers of the company who are charged with the business of ascertaining its revenues and borrowing the money to make good their deficiencies. The division of responsibility is the bane of our government."

But the time came for a new order. America's resources, taxed by the war, felt the full weight of irresponsible expenditures. Industry complained under the burden of taxation and asked if there was no limit. The demand for "business in government" became insistent, and in response to it Congress passed the budget law, effective July 1 of this year.

There are those who say that Congress didn't know just what it was doing when it passed the law, or the law might never have been passed—that politicians looked upon it as a necessary evil, forced by public pressure, but a thing to be strangled as soon as it should be brought into being. It is quite certain that the appointment of the busy banker-general as director of the budget, and the speedy way in which he went into action, shocked the skeptics.



Under the old system each department and independent establishment submitted an estimate of its expenditures directly to one of nine committees in Congress. The needs of a single department were not considered in relation to the needs of the business as a whole; and, because he was not the financial head of the government, the President was powerless to formulate a financial program



Under the new system the President obtains information as to the needs of the various departments from his agent, the director of the budget. The President, in turn, must submit his budget to Congress, his board of directors, for approval. In Congress the budget is considered by one finance committee which, with the aid of its sub-committees, frames the appropriation measure. The agent of Congress is the comptroller-general

The law simply provides a financial system such as may be found in any successful corporation. It compels the President of the United States to meet and discharge the duties of general manager. It places upon him an obligation that he cannot escape.

THE President must lay before Congress, at the opening of the regular session each year, a consolidated budget schedule, bringing together full detailed statements of the condition of the treasury, the revenue and expenditures of the government during the last completed year, as well as during the year in progress, and the estimated revenues and expenditures to be provided for the ensuing year. These statements must be itemized and classified according to departments, bureaus and establishments, so that the financial condition may be known in detail.

The haphazard practice of department heads submitting their demands for funds directly to committees of the board of directors in Congress is abolished. All demands for funds must go direct to the President, and he, as has any other general manager, has the power to alter, revise and correlate them. Officials other than the President are barred from asking Congress for money and from seeking to influence members of Congress in the granting of funds.

In Congress the budget is to be referred to a single finance committee, with sub-committees corresponding with the various departments and establishments. The decisions of these committees are to be reviewed by the whole committee and assembled in a general appropriations bill.

Of course Congress would have the power to alter the President's budget; but in such a course Congress would have to reckon with the influence of the Chief Executive. The theory is that Congress would have a tough time explaining expenditures larger than the President, as advised by the budget chief, considers necessary.

A large part of the President's power is exercised through his director of the budget, his appointee and agent—his "eyes and ears," as General Dawes has styled himself. The budget director acts for the President in gathering the great mass of data and information required in compiling the budget. Back of the budget director is the full authority of the President. The director can examine every nook and corner of departments and bureaus, and place his own judgment above the judgment even of cabinet officers and bureau chiefs in matters of spending. He can revise their

(Continued on page 32)



If you had only two seconds you could grasp the idea behind this simple display

Selling Through Plate Glass

By Robert R. Updegraff

ON FORTY-SECOND STREET, New York, a few steps off Fifth Avenue, is a retail store just nine feet wide. Some months ago a man opened negotiations with the renting agent for this property with a view to renting the place for a jewelry store. The agent quoted the rent at $1,500 a front foot. This seemed high to the would-be jeweler, but after thinking it over for several days he decided that in view of the heavy sidewalk traffic the store was worth $13,500 a year.

When he returned to complete the negotiations he was astonished to learn that this store was figured as ten feet wide because the wall of the building had been cut away at the very front so as to add to the window a little triangle of space a foot wide at the glass and tapering off to the nine-foot width at the back. That extra foot of plate glass front added $1,500 a year to the rent. Yet it did not stop the renting of the store.

The merchant who rented that space pays $15,000 a year for ten feet of plate glass on Forty-second Street. Whether he succeeds in meeting his rent and making a profit depends very largely on what he says through that plate glass. If he says the right thing in the right way he may make considerable money. If he fails to say the right thing he is lost. And to a greater or less extent every other merchant in the country faces a similar situation, for a merchant's plate glass windows are the mouthpieces of his store. They tell about what can be bought inside. If they tell it well, he prospers; if not, he suffers.

A well-known financier remarked the other day that the reason so many men fail in business is not because it is so hard to borrow money, but because borrowing money has always been too easy. The same applies to some merchants and their windows, and to not a few national advertisers and their window display materials; they hold window space so cheap that they do not give it the thought it deserves. It would be the salvation of many an only moderately successful merchant if he had to pay Forty-second Street rent for his windows for a few weeks, for then he would be obliged to learn how to sell intensively through his windows—or else go out of business.

We are, happily, graduating from the old conception of window displays, whether planned individually by the local merchant or issued in lithographed form by the national advertiser. In the old days the idea was to fill a window with cut-outs and dummy cartons. Everybody spoke of "dressing windows." The modern conception is to fill the window with an idea, a selling idea, using only such materials and properties as are necessary to give the idea a suitable setting and to *get it through the plate glass.*

This is window selling, not merely window dressing, and it is this kind of plate glass salesmanship that solves the problem of high store rents and makes stocks turn fast. It is this kind of window selling, too, that brings repeat orders to the manufacturer who backs up his publication advertising with real selling displays at the point of final sale—the retail store.

The first step in talking through plate glass, whether one be a local merchant confronted with the problem of converting a quantity of merchandise into cash in time to meet that note due at the bank next Tuesday, or a manufacturer planning a lithographed display to send out to five thousand retail merchants to help them sell a given product faster, is to know what one wishes to say. It is generally the idea back of the display, and not the display itself, that is responsible for sales, for nearly all selling results from ideas.

But it is not enough to have an idea in one's own mind; one must get that idea through the plate glass and into the eyes and minds of the passers-by. It is right there that so many window displays fail. They may be based on an idea, but the idea is either so overdressed, or so underdeveloped, that it does not reach through the glass and grab the attention of the people on the sidewalk.

We are all familiar with the overdressed window. It contains so many colors and pictures and units that it merely confuses the senses. It may be ugly or it may be beautiful, but no idea, no thought, no message sings out to the man or woman on the sidewalk. The display fills the window all right, but it does not fill the cash drawer.

On the other hand, the underdeveloped idea makes a whispering window that is equally ineffective.

For years certain types of eating places have whispered "mushrooms" by displaying a little basket of them in their windows along with other edibles. But it remained for a restaurant proprietor in New York to make his windows say "mushrooms" so boldly, so inescapably, that he has built up a remarkable patronage thereby. He did this by the simple expedient of filling his whole window front with baskets of mushrooms, so that the one idea the passer-by got was *mushrooms*. So effective is this mushroom display that men walk many blocks to that restaurant for luncheon, drawn there by the picture left in their minds by that window. Occasionally this restaurant proprietor varies his window by putting in strawberries, in which case his whole glass front is filled with the finest strawberries he can find. And people pour in there to eat!

The point is this: There is not a chance in the world of getting by that restaurant window without knowing what the proprietor is trying to say in his window. He fills it with a single idea, and that idea in turn fills his restaurant.



An idea display that talks to men. Many women are "sold" on the need of an electric washer, but they represent only half the sale, for such an outlay is a family matter. So Eden distributors are talking through their plate glass windows to the husbands

On the other hand, an exclusive candy store in London filled its window to overflowing with the idea of quality and exclusiveness by adopting the opposite method. Instead of filling its window with candy, which is what nearly every other candy shop does, it went to the extreme of displaying just one piece of candy in the window on a little doily with a card reading, "*Do we intrude?*"

SOME of the simplest displays are the most effective in getting their message through plate glass and making sales. The Corona Typewriter Company has recently demonstrated this most convincingly. Instead of putting all of its window display appropriation for the year into one or two elaborate displays, each month it sends to its agents simple *idea displays*. These displays generally consist of one medium-sized center cut-out and a couple of small side cards, but so definite is the idea behind each display that, with the addition of three or four Corona machines, they "fill" a window. The message of the display is the simplicity of Corona operation, and it is put across *with two fingers!* This "two finger" display has sold Corona typewriters all over the country because it says graphically that the Corona is simple to operate.

Another of these monthly Corona displays shows a man standing outside a store looking in at a Corona display. A card nearby says: "While you stand outside this window wondering if so compact a machine can do the work of heavier, non-portable typewriters—at this moment hundreds of thousands of Coronas are actually doing it." A dealer in Worcester, Mass., reports: "From this display we have sold ten machines." Ten machines at fifty dollars each, sold in a few days with a simple idea spread upon some pieces of cardboard!

The sending out of monthly displays by manufacturers to retailers with whom they wish to co-operate promises to be one of the most important developments of the future in window display work. It has been proved that effective idea displays can be produced at a very reasonable figure, and the manufacturer can furnish his dealers with such displays at a comparatively small cost per dealer, whereas it would cost the individual dealer many dollars to produce the same display for himself.

Another important development is a growing appreciation, on the part of both the retail merchant and the manufacturer, of the value of "traveling displays." The traveling display tells a manufacturer's selling story more completely and more graphically than could any display that can be produced cheaply enough to warrant being sent out broadcast to be used for a week or two and then discarded.

Such displays can be produced quite economically in quantities as low as twenty-five. When packed in stout cases with locks and hinged covers, they can be shipped from store to store, enabling each merchant fortunate enough to receive one to stage an



This display tells almost the entire Torrington story to the woman on the sidewalk. It is more elaborate than the dealer could afford to build for himself, and more costly than the manufacturer could afford to furnish to dealers to be used for a week or two and then discarded

(Continued on page 46)

—But You Can't Tell 'Em Much

The Apostle of Co-operation Sees the Merchants of Clarksville Put On a Sales Day and Decides That They Don't Need His Advice

By Arthur H. Little

A *VISITING SPEECH-MAKER* came to Clarksville, Tennessee. He was no mere silver-tongued entertainer, no mere reverberating spellbinder, this visitor. He came as a missionary, a teacher, an advocate, a pleader. He had a Message. He came to Clarksville to speak on the subject of co-operation among business men. Specifically, he came to tell the retailers of Clarksville how they could work together and what they would gain by co-operating.

This visitor came on Monday, which Monday was the first Monday in a certain month. Now it may just have happened that he came on that day. On the other hand, something more than coincidence may have timed his coming. The Clarksville Ad Club, before which he was to speak, has a collective and exceedingly subtle sense of humor.

Anyway, the visitor came on this Monday to make this speech. And he arrived in Clarksville in the very midst of a busy, not to say hectic and stirring, time.

Clarksville was engaged in one of its retailing orgies. Its sidewalks were alive with humanity. Its streets were choked with automobiles—mostly the ubiquitous flivver that thrives so enthusiastically and multiplies so amazingly in the agricultural sections. A special passenger train, with a load that bulged to the platforms of the cars, had just rolled into the L. & N. station. Clarksville, population 8,500, was host to most of Middle Tennessee.

A committee of the Ad Club met the visiting speaker at his train and conducted him on a sight-seeing trip about town. He elbowed his way through the crowds on the sidewalks—crowds that shopped from store to store and carried brooms and wash boilers and self-basting roasters and galvanized buckets. He went into some of the stores and watched business going forward with the muffler cut out. He questioned some of the merchants. But he said not a word of comment.

In the late afternoon a fleet of Ad Club motor cars lined up in front of the Club's headquarters next door to the courthouse. The visitor climbed into the leading car, along with the officers of the club; the other cars filled with club members and the cavalcade whirled away into the country, to a farmhouse on whose spacious lawn the club was to hold its monthly outdoor meeting. First there was something to eat, a bounteous, barbecued "feed." And still the visitor said not a word about what he had seen.

Then, with the eating done, Sterling Northington, retail grocer and then president of the Ad Club, arose to set off the speech-making. He introduced the distinguished guest and explained that the visitor had come to tell the members of the Ad Club how to co-operate. And then it was that the visitor got up and, for the first time that day, said something about co-operation.

"It is true," he said, "that I came here to talk to you about co-operation. I had a speech to make—and really it's a fair speech—on how you could work together for your common good. But what I have seen today has just naturally knocked that speech out of me. I realize now that when I landed here this morning I didn't know anything about co-operation. But I've learned a deuce of a lot today!"

Then he went on and made a speech. It was an impromptu effort and passably good. But it was not about mercantile co-operation.

A couple of years ago, and before the episode of the visiting speech-maker, the Clarksville Ad Club did some long-distance visiting on its own account. Some twenty-five or thirty members of the club chartered a Pullman and made a pilgrimage to a town of 5,000 inhabitants down in the southwestern corner of Missouri—Neosho.

Neosho's Ad Club was bringing country trade into Neosho's retail stores. The visitors from Clarksville watched the workings of the Neosho method. Then they went back to Clarksville and there each one of them constituted himself a missionary, a teacher and advocate and a pleader to "sell" the plan. They went up and down Franklin Street and First and Second and Third and into every shop and store and talked earnestly with the proprietor thereof. They talked and waved their arms and read figures from their notebooks. Every Clarksvillian is a salesman, natural-born. Even on an off day and without warming up more than just moderately, a Clarksvillian can sell 'most anything to 'most anybody—even to a brother Clarksvillian. Within just a day or so those twenty-five or thirty enthusiasts who had been over to Neosho "sold" the idea to Clarksville. Then Clarksville, to use its own phrase, "went into it."

The idea is simplicity itself—just a sales day every month. The day is the first Monday in the month. On that day every merchant that elects to participate in the proceeding offers certain bargains in merchandise. The customers in Clarksville's trading territory, a territory that has a radius of fifty to sixty miles, are told in advance about those bargains. That's all there is to it.

To tell the customers about those bargains two methods, two mediums, are used. One of these, of course, is newspaper advertising. That is an individual matter with each of the participating merchants. He may use as little or as much space as he sees fit. The other medium is communal—the sales sheet. The sales sheet is strictly an Ad Club affair; it is censored, printed and distributed by the club.

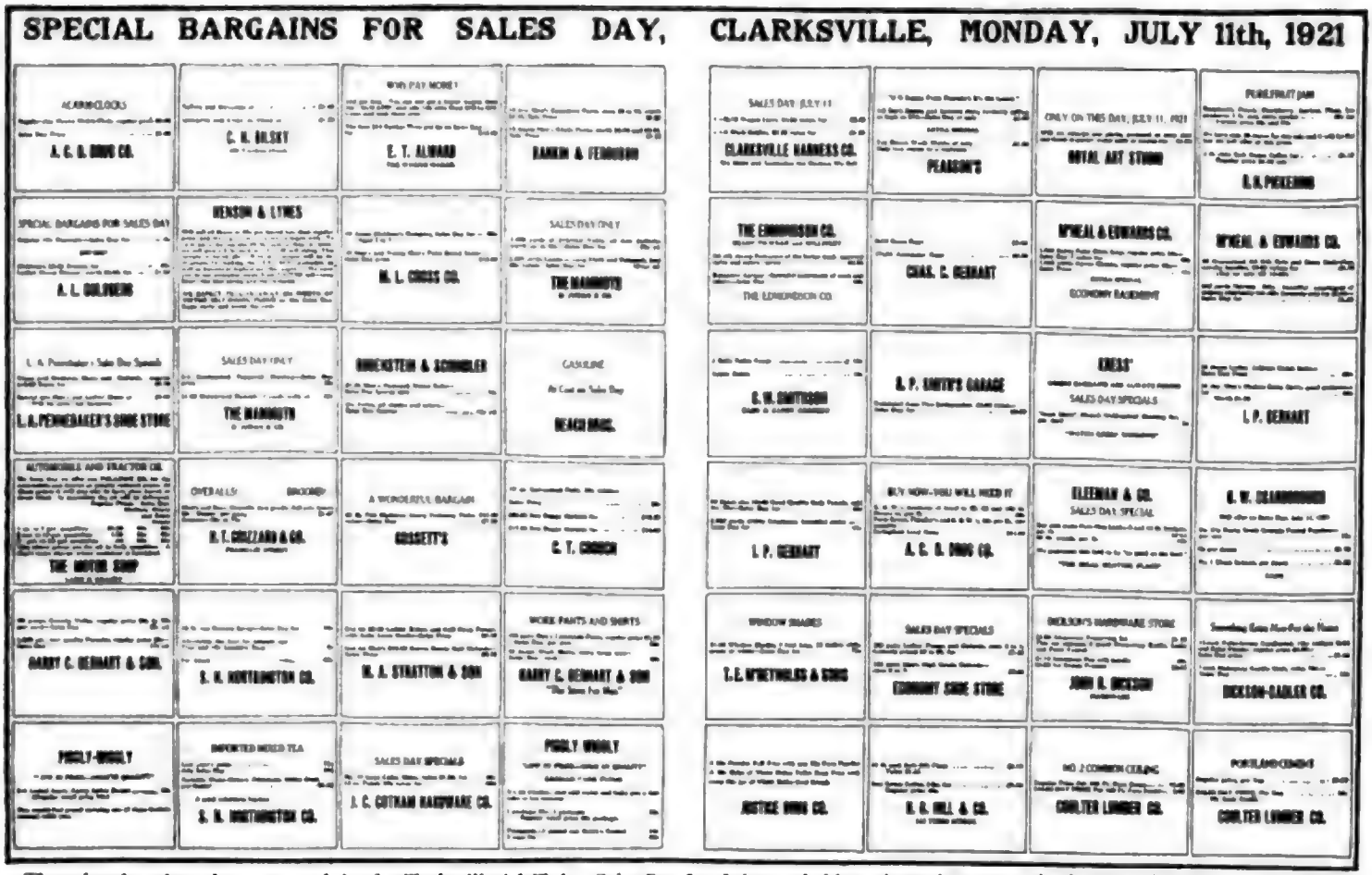
Why It Works

"Sales-day plans," says Simon Newberger, of Clarksville, "have been tried out in other communities. I know of one city not far from here in which the merchants experimented with the very same method we are using here. But the experiment was a failure; and it was a failure simply because the merchants hadn't learned to pull together. They carried with them into their experiment their old ideas of individual competition. In such an atmosphere as that the sales-day plan simply will not work.

"Here in Clarksville we have learned, I believe, the true meaning of co-operation. Just as an instance: If a customer comes into this store on a sales day and asks for a certain article that is being offered as a 'special' at another store, we don't try to sell him. Instead we say, 'You can get that at such-and-such a store at such-and-such a price.'

"The same thing is true of every other store in the city. Undoubtedly the plan is a good thing for a retail community. But—and I don't think you can emphasize this point to much—to succeed the plan must have behind it genuine, unselfish co-operation."

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The sales sheet issued every month by the Clarksville Ad Club. Sales Day for July was held on the 11th because the first Monday came on a holiday

A Clarksville sales sheet is of the size and shape of a four-page newspaper. Its four pages are cut up into spaces of arbitrary size. On three of the pages these spaces are each three by three and three-quarters inches. On the back page the spaces are larger—five by eight inches.

Rules, formulated by the club and enforced by a censorship committee, regulate the apportionment of space, the merchandise to be advertised and even the typographical make-up of the sheet. A retailer may participate or not, just as he prefers. But if he "comes in" he must abide by the rules. He may not use more than two spaces. He may not dominate the sheet, either by the spread of space or the use of shouting type. He may select from his merchandise two "specials," if he uses one space, or four "specials" if he uses two spaces; and these "specials" he advertises in the sales sheet. The prices at which these items are offered must be bargain prices and the merchandise must be good—the censorship committee, made up of retailers that know merchandise, sees to that. For one of the smaller spaces the advertiser pays $4.20 an issue, and for one of the larger spaces on the back page, $12.50. These prices have been figured to cover the cost of producing and distributing the sales sheet.

On the Monday preceding the sales day that sales sheet, censored and approved, goes out by mail to 11,000 families in the Clarksville trading territory. In the office of Robert O'Neal, secretary, is the Ad Club's mailing list, confidential, closely guarded and used for but one purpose—the mailing of Ad Club matter. The list is a composite creation, made by "pooling" the lists of individual members of the club, canceling the duplications and arranging the names as to rural delivery routes and other geographical classifications. The sales sheet, the mailing list and an addressing machine—these are the tools of the method.

AND now what is the general effect? Does the sales sheet bring in the customers? One may ask that question anywhere in Clarksville; ask it of a banker, a grocer, a druggist, a hardware dealer, a retail clothier, or a lumberman and get the same answer:

"Does it bring 'em in? Can you imagine a town of this size with two big circuses, Ringling's and Sells-Floto's, playing it on the same day? Well, that's what Clarksville is like on sales day."

And do the visitors buy? "Do they?" said Sterling Northington, the former Ad Club president. "Tell you what you do: You go up and down Franklin Street, or anywhere in the business section, and ask the business men themselves. They'll tell you."

The business men did. A half-dozen of them, in lines that ranged all the way from banking to retail lumber, told about their business and cited figures. Furthermore, every last one of them, one after another, not only told about his own business but sold the investigator all over again on the Ad Club's plan. They still have the missionary spirit in Clarksville.

Not a merchant, but a banker—Sterling Fort, president of the Northern Bank of Tennessee—happened to be the first. "The general effect on business?" he said, repeating the question. He paused for careful thought, then said:

"I should say that the sales-day plan increases the retail business in Clarksville by fifteen to twenty per cent. I do not mean that the plan merely increases by that much the business done the sales day itself; for, in most instances of specific stores, that increase amounts to three or four hundred per cent. But I mean that over the course of a year the sales day is responsible for an increase of fifteen to twenty per cent in the total volume of business done in the city. That, of course, is important. But there is another consideration that, in my opinion, is equally important; and that is what might be called a civic or social consideration. Sales day brings the people of the rural sections—our neighbors—into Clarksville. It brings them closer to us; it enables us to become better acquainted with them. And better acquaintance makes for better citizenship among us all."

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Diagonally across Franklin Street from the Northern Bank is the store of Harry C. Gerhart & Son, dry goods and men's clothing. The senior member of the firm talked about sales-day results while he worked on the "floor" during a lunch hour.

"The last sales day produced an interesting demonstration of the 'pulling' power of the plan," Mr. Gerhart said. "Just for fun, I tabulated the checks that we received on that day. They totaled seventy-three and they were drawn on seventeen different out-of-town banks; and one of those seventeen banks is in a town sixty-three miles away.

"In the clothing line the best plan for the individual merchant seems to be to select as his leader some low-priced article, such as 'working' shirts or underwear. For instance, here's a blue shirt that we offered at sixty-three cents on one of the sales days. We sold six hundred of those shirts. That meant that that single item brought at least six hundred persons into the store. On another sales day we tried suits, to sell at $32.50. We sold seventy-three suits. For suits, that was a good day's volume. But that item, you see, brought in only seventy-three customers.

"I should say that our sales of 'specials' on a sales day amount to not more than one-third of our total of sales for the day. And yet, over the course of the year the plan is responsible, I estimate, for an increase of $12,000 to $15,000 in our Monday business."

A dry goods store next? Very well—The Mammoth, Simon Newberger, proprietor.

"On a Monday, before the Ad Club instituted the sales-day plan, our sales used to run between four and five hundred dollars," Mr. Newberger said. "Now our Monday sales total sixteen hundred to twenty-two hundred dollars. It is possible that the sales day 'pulls' a little from the Saturday preceding and from a day or two following the first Monday. But the net gain is at least twenty per cent."

As did the others, Mr. Newberger outlined the whole plan. As did the others, he dwelt with emphasis upon one phase of the general subject. But because he was particularly emphatic about that one phase, it may be well to let Mr. Newberger discuss it as spokesman for his fellow merchants in Clarksville:

"The very spirit and soul of the whole plan is co-operation. Sales-day plans have been tried out in other communities. I know of one city not far from here in which the merchants experimented with the very same method we are using here. But the experiment was a failure; and it was a failure simply because the merchants hadn't learned to pull together. They carried with them into their experiment their old ideas of individual competition. In such an atmosphere as that the sales-day plan simply will not work.

"Here in Clarksville we have learned, I believe, the true meaning of co-operation. Just as an instance: If a customer comes into this store on a sales day and asks for a certain article that is being offered as a 'special' at another store, we don't try to sell him. Instead we say, 'You can get that at such-and-such a store at such-and-such a price.' The same thing is true of every other store in the city. Undoubtedly the plan is a good thing for a retail community. But—and I don't think you can emphasize this point too much—to succeed the plan must have behind it genuine, unselfish co-operation."

HARDWARE? Let's hear from J. C. Cotham, head of the J. C. Cotham Hardware Company. Mr. Cotham told of results in his own store; besides, he went in some detail into matters of merchandising technique to "tie up" with the plan.

"On an ordinary Monday, before the Ad Club started the sales days, our business would be around three or four hundred dollars," Mr. Cotham said. "Nowadays our Monday business amounts to two or three times that figure and we have run as high as eleven hundred dollars for a single sales day. We have sold seven hundred brooms between seven and ten o'clock in the morning and six hundred pieces of aluminum ware in a single day.

"I plan for sales day well in advance. Right now, for instance, I'm working sixty days ahead—by that I mean that I select my 'specials' well in advance and get them into stock. Two considerations regulate my choice of sales items, aside from the fact that the merchandise must be good and the price right. I always pick something moderate in price, something that doesn't have to be wrapped, something that is small enough to be carried in the hand and yet large enough to be noticed on the street. That's one consideration. The other consideration is the availability of the merchandise. Usually I pick something that a local jobber has on hand. Then, if my stock runs out on sales day, I can get more in a hurry.

"Now I could offer steel ranges, for instance, and maybe I'd sell ten or a dozen. But that item would bring only a handful of customers into the store. On the other hand, when I offered roasters at ninety-eight cents instead of the regular price of a dollar-fifteen, I sold three hundred of them in a single day. But, in addition to the roasters, I sold a deuce of a lot of other stuff to the three hundred customers that the roasters brought in. On another day my 'specials' were wash-tubs and galvanized iron buckets. We sold a hundred and fifty of the tubs and two hundred and fifty of the buckets before ten o'clock—sold out, in fact, and I sprinted out to a local jobber and got more.

"I plan not to lose money on the 'specials' themselves. Generally I'm able to make them carry the extra expense of the sale—the advertising in the sales sheet and the supplementary advertising in the newspapers. On the last sales day, for instance, the 'specials' alone returned a net profit of forty-seven dollars, and that after they had paid for the advertising."

Drugs? Listen to the testimony of G. M. ("Doc.") Sadler, of the Dickson-Sadler Drug Company. This drug store, by the way, is a glorified drug store, a store that carries "everything from pins to pianos."

"We sell seven to eight hundred rolls of wall paper or a couple hundred alarm clocks, or two or three hundred candlesticks on a single sales day," Mr. Sadler said. "It happens, you know, that we run our store on the principle that drugs themselves should serve merely to draw that small percentage of the people of the community that need drugs and that the big volume of sales comes from the other things we carry. Because of our adoption of that principle, we naturally are 'strong' for the sales-day plan."

Groceries? Let Sterling Northington speak for the grocers. Admittedly Northington may be more or less prejudiced in favor of the plan. He was the only retail grocer that went along when the Clarksville Ad Club made its pilgrimage to Neosho. But as a man who sold 2,400 pounds of coffee in a single day, he seems qualified to testify. He's a busy man, is Northington. He is a past president of the Ad Club; he is active—"mixed up," he calls it—in the affairs of the Kiwanis Club, the Clarksville Chamber of Commerce and the retail grocers' association. Besides, he has a business of his own to run. But Northington will take time, at any time and under almost any circumstances, to talk about sales day.

"Why," he said, "the blamed thing is virtually automatic. All that a community has to do is to start it—start it right and in the right spirit—and it almost runs itself. A man just seems to increase his business in spite of himself.

"Yes, I suppose that in the case of the individual merchant, headwork helps. But sometimes, you know, a fellow just hits on a hunch and he plays it and it works so well that it astonishes him. In my own experience with sales day, I remember the instance of the washing

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A Clock It Pays to Watch

By Charles E. Duffie

OUT IN HOLDREGE, Nebraska, in one of the biggest country-town stores in the United States, the president, general manager, buyers, salespeople and even the office boy "watch the clock," and find that it pays.

There are several clocks, in fact, and they do not mark the passing of the hours at all; instead they visualize the company's sales, day by day, and show, first, the sales of each department for the current month, one year ago; second, the sales of the department the corresponding month this year, and third, the purchases for the department to date.

Holdrege, according to the census of 1920, has a population of 3,108.

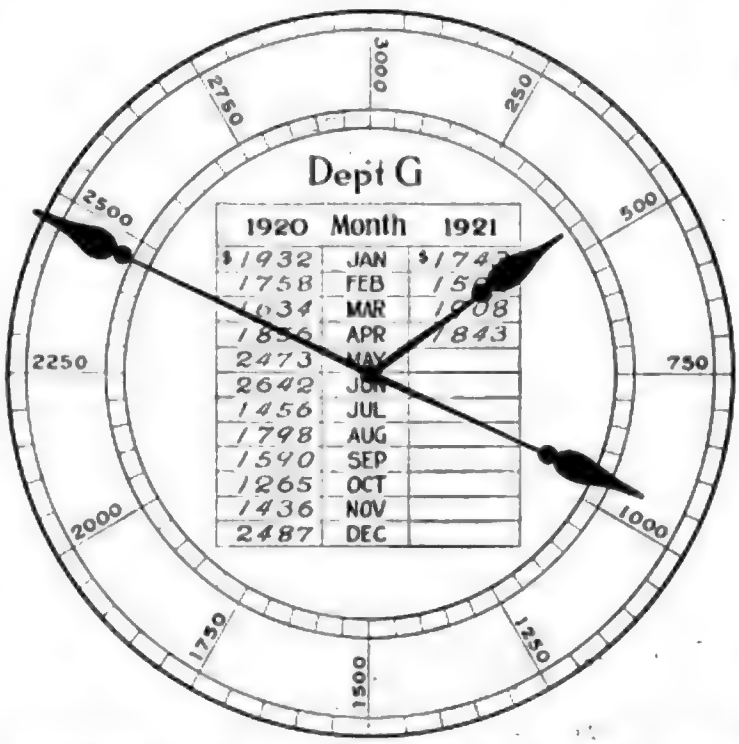
On walking into the store of the F. Johnson Company, one is not surprised to find as modern a merchandise establishment as can be found anywhere—not excepting the large cities. One is a little surprised, however, when L. T. Johnson, the manager, says in a matter-of-fact way that the sales in 1920 were "right around $600,000;" but after a trip through the store, where one may find everything that the modern department store has, from $1,500 fur coats for women to the 10-cent table in the economy basement, the wonder begins to subside; and when one gets into the general offices and finds an advertising department as complete as modern equipment can make it, with addressing machines that feed themselves, a mailing list of 15,000 names, the system of records that tell, every night, sales, purchases and profits, one no longer wonders at the record this institution has made.

Which brings us to the clocks that this year are the center of interest to everyone in the store, and that, perhaps, are doing more than any other one thing to keep the volume up.

There are twelve of these "clocks" mounted in a frame on the wall over Mr. Johnson's desk. There is one for each department; one for the store month, and one for the store year.

Each consists of a cardboard face ruled to suit the requirements of the particular department it represents. Over this face three hands move, day by day. The longest one points to the sales of the department for the current month of 1920; the intermediate hand records the sales of the current month this year; and the shortest one points to the amount of purchases made by the department during the month.

In the illustration, for example, the clock shows that in May, 1920, the sales were $2,473; that at the date this record is shown the May sales for 1921 amount to about $900, and that goods to the amount of $450 have been purchased so far during the month.



The long hand records the sales of Department G for May, 1920; the intermediate hand the same department's sales for May, 1921, to date, and the short hand the department's purchases for May, 1921, to date

In the center of the dial is the record of sales by months, while the divisions of the circle are made in units of convenience to suit the requirements of each department. Department "G," chosen for an example, is one of the small departments of the store, and the scale is graduated into $50 units, totaling $3,000, which is ample for the monthly sales of this particular department. The figures representing monthly sales, it may be said, are fictitious, being thus shown to make the illustration more clear. Figures actually placed on the clocks in the Johnson store are in code.

"I devised this system, following a suggestion of a friend who had seen clock faces used in another big western store, but for an entirely different purpose," said Mr. Johnson, the general manager, in explaining the idea.

"In former years we used quotas in each department to increase our business. These worked out very satisfactorily. But when the slump came last fall, it was easy to see that quotas would not play their proper parts, this year at least.

"What was needed, as I saw it, was some method of bringing before our salespeople and department buyers, in a graphic way, just what we were up against during these times; to show them just how hard we must fight for business, and to let them know, day by day, how we are succeeding.

"Each morning the girl in charge of our sales records compiles the figures for each department. Then she goes to the board and moves the intermediate hands on the different clocks ahead to a point where they record the business of the departments up to and including the previous day's business.

"The shortest hands, representing purchases, are moved ahead as goods are purchased. These two hands, together with the longest one, which shows the business for the corresponding month last year, visualize the department activities, in my opinion, in a way no other record could.

"The first of each month, of course, all hands are reset—the large one to the current month's sales for last year, the two others placed together at the top. It is very gratifying to see the care with which not only department managers, but salespeople as well, come to the office each day and look at their clock. It prevents overbuying, of course, but it does more than that—it shows all of us just how much behind, if at all, we are in sales; and this is a wonderful incentive to greater efforts. To make the intermediate hands overtake the long ones, before the last day of any month, is the task that each sets for himself; and while we do not always succeed, of course, I am satisfied that we have done much more business than would have been possible under the old quota system."

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Science and Your Shipping Box

How the Packing Expert is Saving Millions to Industry by Making Boxes and Crates More Durable, More Compact and Better Balanced

By E. W. Davidson

A *NATIVE OF YAP*, in the right field bleachers for his first ball game, wouldn't be able to see the difference between pitching a straight ball and a baffling drop. To him, throwing a ball would be just throwing a ball. But the whole Western world, and part of the Eastern, knows that there is science in it.

So, too, may the uninitiated man stand in the packing department of an American factory watching Mike Pucilek nailing up a box of goods bound for Iquique, Chile, and see no science in that. The science, however, is there. The difference between Mike and the ball pitcher is that somebody else does all the thinking for Mike. He puts science into his boxes without knowing it.

No longer is a good box just a box, or a good crate merely a crate. These containers are designed by engineers. A new engineering profession is growing up to make them what they ought to be.

They are of "balanced construction;" that is, the weight and strength of every piece and every joint, the size and spacing of nails, the gauge of metal strap, and the measurements of all the other elements in the containers are just right to balance the strength of all the others. Overstrong parts are reduced and weak ones strengthened, often at a great saving of lumber. Packing in this country in 1918 required 4,550,000,000 board feet, or five times as much as the furniture industry and twenty-five times as much as shipbuilding.

To be "balanced," containers must be shaped and loaded so as to handle easily. A cube is the ideal, provided its load inside is equally distributed. But whatever the shape, there is always a way to get the center of gravity fairly near the center of the container. A lopsided load in a single box may cause more blasphemy and wreckage than a whole car full of big, heavy and "square" freight.

Furthermore, these new engineers—and some of the old ones who are beginning to see the science in their own profession—are getting products squeezed down into more compact form, using strawboard, "bogus paper" and wooden bracings inside of boxes instead of great quantities of loose and unreliable excelsior, sawdust and crumpled paper. Thus they are reducing not only the cost of packing materials, but also the time and labor expense of putting goods into boxes. At the same time they reduce, in export shipping, the items of cartage, storage, insurance, ocean rates and import duties.



The new three-way-corner type of crate is twice as strong as the ordinary type

Not all American shippers have begun to profit by the skill of this new profession. Vast numbers of "just boxes" are still in use and failure to protect goods in transit in this country, according to the estimate of the United States Forest Products Laboratory at Madison, Wisconsin, is costing American business the stupendous sum of $500,000 a day.

American railroads paid shippers $105,000,000 for losses and damage during 1919. Of course not all of this can be charged to bad packing, for the ordinary proportion is 40 per cent loss and 60 per cent damage, but government and railroad experts estimate that a good deal more than half the damage item can be traced to bad packing. These figures, moreover, apply only to freight in the hands of the railroads. This tremendous loss to industry is being reduced steadily, for, in spite of the fact that box cars have no conscience and freight bouncers have little, a box or crate scientifically made can travel with a good deal of safety over our railroads.

Losses due to bad packing have driven a number of American manufacturers to overhaul and reorganize their packing procedure and to spend thousands of dollars in doing it. A great many other concerns, just beginning to realize the evil and the remedy, are giving at least spasmodic attention to their packing.

The wide-awake ones have employed the few available packing engineers of the new order and a handful of industries have gone so far as to establish laboratories for these men to use. In these laboratories—all copied more or less closely after the testing department of the United States Forest Products Laboratory at Madison, Wisconsin, where studies are continually being made for shippers everywhere—there is usually a variety of equipment for subjecting containers to all sorts of indignities. Every test imitates some shock or strain that containers must be able to endure in transit.

Does it seem idle and wasteful play to put half-a-dozen boxes of glassware into a huge, wooden, open-ended drum so that the boxes have the tumbling of their lives? While the experts stand back and look on, those six boxes, representing six ways of packing that



Left, above—This balanced box, containing an electric motor, is strapped with unannealed steel and built on skids so that slings may be passed under it at port. Right—This heavy package of paper is properly packed to reach any port in the world. Below—An X-ray tube slung on ticking in a thin, open-sided crate so the expressman can see for himself how fragile is the freight

particular glass article, go bumpety-banging until they break up. The onlookers see exactly how each box performs under all sorts of conditions and thus demonstrate in practice what they had figured out in theory.

The best made box can then be chosen and, although $2,000 worth of glass was smashed in a single day in such a drum, yet how much more expensive—and how much less educational—it would have been had the manufacturer tested out box after box by putting them into actual use in carload lots!

Then there is the compression test, in which containers are put under various degrees of pressure at all angles to show just how much weight they can stand in freight car or ship's hold. They are hoisted in air, fully loaded, and dropped various distances to light flat, cornerwise, or in any other perilous position on unyielding floors of steel or concrete.

These packing experts exercise fertile imaginations in conceiving tests for the containers they design, and they know no mercy. They are just as merciless with a package as the most case-hardened stevedore, for that package has to be built to meet the stevedore at his worst.

Building containers that stand these tests is not a matter alone of substituting planks for three-quarter-inch stuff, chains for banding wire, and spikes for ten-penny nails. Very often it is a question of lessening weight instead of increasing it, of using a different type of corner construction, or merely of driving the nails according to another plan. Sometimes the addition of a few well-placed nails strengthens a box a full 100 per cent. That sort of thing is the scientific element in the business of packing.

Exact standards for every detail in a box or crate have been worked out by the United States Forest Products Laboratory, by groups of railroads, by the National Association of Box Manufacturers, by The American Society for Testing Materials, and other such organizations. Containers that do not conform to these standards may be weak, or they may be far heavier and costlier than they need be to possess the required strength.

There is the matter of nailing, for instance. You wouldn't think there was anything intricate about putting the lid on a box. Almost as well call pie-eating intricate. It's another case of the Yapper in the right field bleachers. How could the untutored be expected to know offhand that cement-coated nails hold 30 per cent better than smooth nails? How could he know that this holding power is fully 50 per cent greater when the nail is driven across the grain than when driven into the end of it? Or that the holding power of a nail varies widely between basswood and beech? Or that a nail over-driven by so little as a single wallop of the hammer loses from 15 to 40 per cent of its hold, due to the crushing of the wood fibre by the nail head?

And how could he know that he should spot his nails in evenly staggered rows, when cleats are used at box ends, so that approximately half of them reach into the cleat and the other half into the end?

And how, above all, could he determine nail sizes and spacings with respect to the weight and kind of lumber used? This is highly important. In the first place, the packer classifies woods according to their density, the common ones grouping thus:

Group I: Alpine fir, aspen, balsam fir, basswood, cedar, cottonwood, cypress, Norway pine, spruce, yellow poplar.

Group II: Douglas

Use cement-coated nails of gauge indicated	Thickness of ends or cleats to which sides, tops and bottoms are nailed								Thickness of sides to which top and bottom are nailed		
When species of wood holding points of nails is:	⅜″ or less	7/16″	½″	9/16″	⅝″	11/16″ or ¾″	13/16″	⅞″	*Less than ½″	½″ to 9/16″	⅝″ to ⅞″
Group I	4d	5d	5d	6d	7d	8d	8d	9d	4d	6d	7d
Group II	4d	4d	5d	5d	6d	7d	7d	8d	4d	5d	6d
Group III	3d	4d	4d	5d	5d	6d	7d	7d	3d	4d	5d
Group IV	3d	3d	4d	4d	4d	5d	6d	7d	3d	4d	5d

*Only in exceptional cases is side nailing recommended when the thickness of sides is less than ½″

This table of nail gauges, compiled by the National Box Manufacturers' Association, shows what nails to use for woods of various species and thickness

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fir, hemlock, larch, southern yellow pine.

Group III: Black ash, black gum, maple (soft or silver), red gum, sycamore, white elm.

Group IV: Beech, birch, hackberry, oak, rock elm, white ash.

With these groupings in mind, he then follows a table of nail gauges, arranged by the National Box Manufacturers' Association.

Having chosen the right size of nails, the packer spaces them according to this rule: "In nailing side, top, or bottom to ends, six-penny or smaller nails should be spaced not to exceed 1½ inches apart, when driven into the side grain of the box end, and not to exceed 1¼ inches apart when driven into the end grain of the end. With nails larger than six-penny the spacing should be increased one-fourth inch for each penny over six.

"In nailing top and bottom to sides, the nails should be spaced six inches apart when the nails are six-penny or smaller, increasing the spacing one inch for each penny over six."

Banding a box, a process that looks almost as simple as hitching the big strap around the family trunk, is also an art, as packing engineers have proved. Strap of one kind or another is often necessary for heavy goods or for large containers, whether the load be light or heavy, and should be put on practically every export box.

Plain, flat unannealed steel strap, coated to prevent rust, is preferable to annealed wire or iron strap for most uses, because its tensile strength is 30 per cent greater, and it is less likely to stretch or break. Of course a stretcher must be used in applying any sort of banding metal, for the value of banding lies in its constant grip. It must be tight, too, to prevent it from festooning if the lumber in the box should shrink. A band should be placed around each end of a box parallel to the ends, and export boxes should be strapped longitudinally, with a band at both top and bottom. The thickness and width of the strap depend upon the size, gross weight, construction and contents of the container. Usually a half-inch strap, eighteen one-hundredths of an inch thick, is satisfactory for boxes up to 100 pounds. Heavier boxes may need straps five-tenths by twenty one-hundredths or three-quarters by fifteen one-hundredths, either of which has a tensile strength of about 1,200 pounds.



PHOTO BY COURTESY OF U. S. FOREST PRODUCTS LABORATORY
Loaded boxes and crates are placed in this giant drum and tumbled about to test their capacity to stand rough handling

Then there is the question of the kind of lumber to be employed. Contrary to general belief, this is not so important from the standpoint of strength as the type of nailing and fastening to be used, for almost any species of wood cut to proper size will serve if it has been properly seasoned and has few or no defects.

LUMBER used green will ruin the best job of nailing and strapping, for as it dries it shrinks. If it is seasoned down to general atmospheric conditions, 12 or 18 per cent moisture content; if there are few knots, season checks or openings in the grain, and if these few are so placed as to have slight weakening effect upon the container, then it is not so important whether the wood is hard oak or soft pine. The packing specialist will pick the species his company can buy cheapest and design the thickness of his pieces to suit.

The sizes and thicknesses he decides upon are important. Standard dimension stuff, 4, 6, 8, 10 and 12 inches wide, is used wherever possible for the sake of economy. The wider it is, the better, because wide boards give a box more rigidity and a defect is less likely to cause a break. The thicknesses depend not only upon the size of the box, the weight of the contents and the amount of support given by the contents to the box sides, but also upon the species of wood. Extra thin material usually must be of the hardwoods, such as beech, birch, maple, ash, oak or gum, regardless of how light the load is to be, for nails must have something substantial to hold to, even if the container is filled with nothing heavier than hats.

The specialist also designs packing with the idea of preventing pilfering. A box without a strap around its ends presents no obstacle to a man with a nail-puller. Top boards lift off and replace easily. Proper strapping, however, interferes greatly with the success of the pilferer's business.

If the padding or bracing inside a box is properly chosen and arranged, the weight and size of the package may be reduced. Corrugated or strawboard, bent to fit odd-shaped spaces, has saved many a manufacturer the heavy cost of paper and excelsior. Used as partitions, this material is often better than wood, for it offers strong resistance and does not shatter as easily as wood.

With the paper board the job of packing usually is speedier and cheaper. Then, too, the container escapes the internal strain caused by insecure contents. Sometimes the style of packing a product may be changed entirely to great advantage, just as the United States Ordnance Department saved $50,000,000 in ocean rates on textiles, such as socks and officers' uniforms, by bailing them instead of boxing.

The question of damage by weather and stevedores' hooks must likewise be considered. For bales, fibreboard testing not less than 200 pounds to the square inch, Mullen test, wrapped around the bale under the burlap or canvas cover, is excellent protection from hooks. If the bales are kept down to 140 pounds and have ears on the corners, they will be hit by fewer hooks.

Time was when waterproofing boxes and crates was a tough job for a packer, but not today. Ordinarily all metal parts subject to rust are slushed with a good anti-rust compound, one

(Continued on page 42)

Why So Many Grocers Fail

A Survey of 160 Stores in Madison, Wisconsin, Shows That the Small Retailer's Expenses Eat Up His Receipts, and Too Often His Capital

By Guy G. Ingalls

ABOUT TWO YEARS AGO Theodore Macklin went to the University of Wisconsin to take the chair of professor of agricultural economics. At the age of thirty, he had worked his way through school and university by picking berries, mixing concrete, building foundations and selling aluminum cooking utensils. After graduation he had done enough research work among the farmers as an agriculture specialist to learn that while the average farmer is interested in producing four ears of corn where one grew before, he is even more interested in producing net profits.

Convinced that theories and conclusions are valueless unless they are founded on facts and figures, Professor Macklin undertook to survey the retail marketing of food products in Madison. His first class at the university consisted of sixteen graduate students. These he put on the job, with the co-operation of the Wisconsin Division of Markets and the backing of the Madison Association of Commerce.

They set out to make a complete survey of the 160 grocery and meat stores of the city, supplied with questionaires asking each retailer for figures on every imaginable item, from the expense for postage stamps to the number of days the good wife worked in the store without getting any money from her husband.

This survey was completed this year, and the following are some of the main facts it brought to light:

Seventy-nine of the 160 stores sold $3,326,896 worth of food during 1919. On this basis Professor Macklin estimated that $6,738,000 worth of food was sold by the full 160 stores. The majority of storekeepers kept no adequate set of books. Less than one-half were able to give definite figures on the cost of operation and the size of gross margins.

Nevertheless the survey revealed that five stores, representing only 6.3 per cent of the stores studied, produced one-third of the total sales.

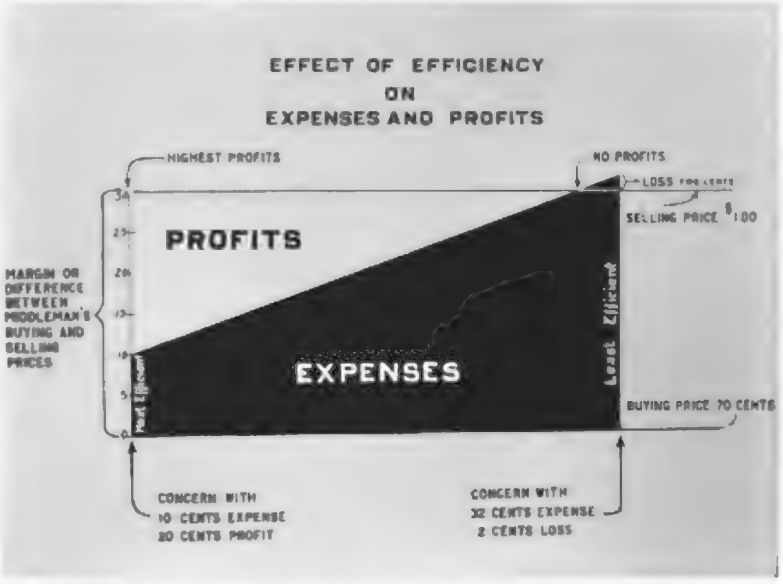
One-fifth of the stores made more than one-half of the total sales.

At the same time 10.1 per cent of the stores made only 1 per cent of the total sales. The average volume for the eight smallest stores was only $4,195, while the five largest stores were averaging $220,254 each.

Out of each dollar paid by the consumer, the average retailer spent from 84 to 85 cents for his merchandise. The average gross margin received was 15 to 16 cents. The average cost of doing business was from 11.7 to 12.3 cents on the dollar, leaving an average net profit of from 2.5 to 4.5 cents.

More significant, perhaps, are these facts, revealed by the tabulated figures.

While all stores—those that lost money and those that made the greatest profits—sold goods of the same quality at virtually the same prices, there was a decided tendency for costs to decrease, per dollar of sales, in the larger stores. The smallest stores had the highest operating expenses, while at the same time their margins were the highest.



BY COURTESY OF THE MACMILLAN COMPANY

This chart, reproduced from Professor Macklin's book, "Efficient Marketing for Agriculture," soon to be published by The Macmillan Company, shows the extent to which expenses eat up profits. Of two stores operating on gross margins of 30 cents on the dollar, the well-managed store with a large volume will pay out 10 cents in expenses and retain 20 cents profit, while the store at the other extreme not only makes no profit but loses 2 cents on each dollar of sales

The cost of labor was the largest single item of expense, representing from one-quarter to two-fifths of the total margin, taking from 4.1 cents to 6.8 cents out of every dollar received. On its face the tabulation seemed to indicate that the larger stores had the higher labor expense. But this, it was discovered, was due to the fact that the large stores paid all their help, while most of the small stores exploited members of the storekeeper's family by using their time without paying for it.

Delivery costs were the second largest expense item. They were found to be about constant per dollar of sales for all stores regardless of size. The cost of operating delivery systems amounted to from one-eighth to almost one-fifth of the gross margins, representing from 2.2 cents to 2.5 cents out of each dollar of sales. A large proportion of the small stores, however, could not give delivery service because they could not meet the expense.

One-eighth to one-fifth of the gross margin, or from 1.2 cents to 3.5 cents of each dollar of sales, was spent for rent and warehouse facilities. Small stores had relatively much higher rent expense per dollar of sales than large stores.

The many small expenses remaining—such items as paper bags, wrapping paper, string, stationery, depreciation, advertising, interest paid on borrowed money and losses through bad accounts—were from 1.7 cents to 6.7 cents of each dollar. Here, again, these expenses were found to be lower in the large stores than in the small ones.

The figures for net profits indicated that proprietors of the smaller establishments did not earn even wages for their own labor, to say nothing of profits and interest on their investment.

In fact, it was found that even in the larger stores, where there might be several partners, the storekeeper was not highly paid, and that the retailer

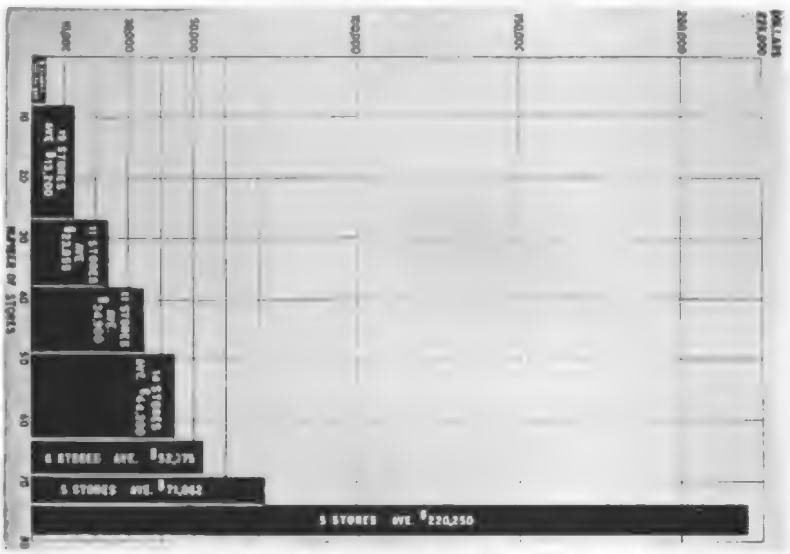
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who was able to earn a salary of $2,500 was the exception.

Eight stores lost amounts ranging from $200 to $1,921, while other stores made net profits around $3,000. Although the selling prices were practically the same for all, the losses were the direct result either of small size of business, excessive costs due to bad management or inability to purchase supplies in the right quantities and at the right prices.

Following are some of the conclusions derived from the survey, to quote Professor Macklin:

"Just so long as many small, inefficient stores remain in business, consumers need not expect to obtain foods and retail services at lower costs, because small stores can neither buy goods to advantage nor reduce operating expenses. While present margins barely cover the expenses of small stores, they do provide profits for stores large enough to buy efficiently and to reduce expenses. Contrary to public belief, it is the excessive costs of small, inefficient stores that make present margins necessary. Those stores that make profits do so not by increasing their margins, but by reducing their costs.



One-sixteenth of the grocery stores in Madison did one-third of the total business, while four-fifths of the stores did less than one-half of the business

"Volume of business is the first step necessary to bring increased efficiency. Among small stores increased volume of business can be accomplished only by consolidation. If they are not consolidated, improvement of retailing requires their elimination.

"There is a close relation between volume of business and efficiency of management. They are complementary. The volume is all too small in the great mass of stores, simply because of the character of the storekeepers. The man with no ideals and no standards, unintelligent and untrained, cannot render efficient service; and unless he can render such service he cannot increase his volume of business.

"The result is a vicious circle. With low standards, it is easy for a large number to get into the business, and they sub-divide it until it is terribly small. Small volume prevents efficient management, and small men can't increase the volume. What the retailing business needs is men of imagination and force—men with plenty of brain power and the courage to get ahead.

"The study of Madison food retailers shows them to be strictly competitive. Evils that have been attributed to profiteering are directly due to weaknesses of competition. Because more than two-fifths of the food supply of Madison is purchased by exceedingly small concerns, competition is regulated by those retailers that are the least efficient buyers.

"There are two current ideals of business. One is based on maximum sales at minimum margins; the other is based on minimum sales at maximum margins. The former is more in keeping with public interest. The large store can buy cheaply enough to make a profit when a small store is losing money. The large store, too, can study and find means of reducing costs, which the small store cannot always do. That is because small stores do not earn enough to pay even proper wages, let alone hiring experts.

"Under present conditions, therefore, margins received by retailers are regulated generally by the margin required to keep the small, inefficient store in business.

"This is unfortunate because the small store, as such, has not the funds with which to pay for management that will take the initiative in improving retail conditions. Neither can these small stores bring about needed improvements of a strictly trade character, such as standardized accounting, systematized and unified deliveries, uniform credit systems and other desirable features.

"To have all stores in operation large enough to render retail services efficiently requires that their number be reduced either by consolidation or elimination. This cannot be done easily or without opposition. That it should be done is certain."

This flat-footed conclusion of the professor brings us to the story of the four Piper brothers—Sam, Charles, Alfred and Howard—and the new grocery store. How the store grew and branched out, only to consolidate again into the largest food store in Madison, may indicate how far Professor Macklin's conclusions are substantiated by history.

There was Sam Piper, just out of college, with his new grocery and feed store on the public market place. Every market day the farmers from the country 'round about would drive their carts in and tie old Lucy to the long hitching post in the center of the road right in front of Sam's door, where they couldn't miss him. Sam's store was the first stop. There they selected their food supplies and incidentally traded in their homemade butter and their homelaid eggs.

Now Sam possessed intelligence and training. He was not afraid of work. So it was not long before he won a reputation among the farmers for service and square dealing. The store prospered. After six months Charles, who was on the farm, joined him in partnership. For five years they handled the farmer trade together; then they figured it was time to branch out. They bought out a grocery store on the capitol square, in a good location next to the postoffice. Here Howard, who had been attending the university, joined forces with them.

The three brothers ran the two stores for two years. Then, in 1902, they bought out the oldest established grocery store in the city. Three stores now—two on the city square and one on the market place.

Still these weren't enough to satisfy their ambitions. Four years later they branched out again, this time with a store in the university district. Howard took charge of the new store, and the fourth and youngest brother was taken from his job in the bank to take charge in the market place.

Another four years and there were five stores—all making profits.

And then the thing happened.

These far-sighted brothers quit branching out. Instead, they determined to consolidate what they had!

In 1912 came the opportunity to buy out the best corner location in the city. They took it, with the idea of creating one big store that might serve all the needs of all the food consumers in town. Then they began selling their branches.

"Why did you do it?" I asked Sam.

"Well," he explained, "we found we were duplicating expenses in our five stores. For instance, we were duplicating on deliveries. It was expensive. It often happened that one of our stores would receive a delivery order in territory covered by another of our stores. That meant that two of our delivery wagons would cover the same route. That's only one case.

"In the consolidated store the overhead was reduced. Labor costs were cut. We found, too, that we were doing more business than we ever had done in all the five stores put together."

With the business lumped under one roof, the brothers centered their attention on cutting costs still further, at the same time increasing the efficiency of theirservice. Steadily increasing sales allowed them to execute their plans.

One of the first moves was to build a rear room, set up a portable gas oven and employ a woman who knew how to make good bread. Soon they couldn't supply the demand. One room after another was added, until the bakery occupied the entire upper floor of the building. Next they bought out the equipment of a large bakery—two ovens with a capacity of 1,000 loaves at a time. They were baking enough bread to supply not only their own retail trade, but many other stores as well. From the same plant they began turning out cakes and candy.

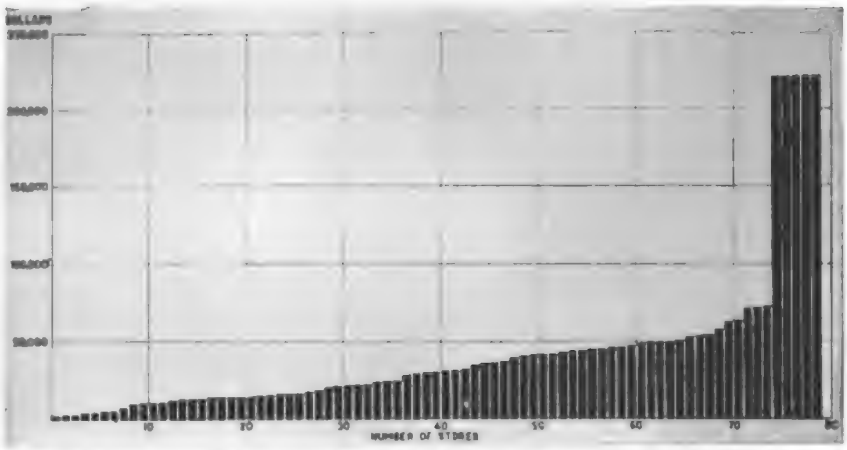
Then came the establishment of a meat market, as well as a fruit and vegetable market.

Even a peanut roaster and bottled drinks were introduced.

Today the Piper Brothers store at the corner of East Mifflin and North Pinckney Streets, facing the Wisconsin state capitol, is at the top of the list of five stores that, the survey showed, handled one-third of the total food sales in Madison.

Its business has been twice that of all the five stores together before they were consolidated.

It is a department store of things to eat. Sam, with his university education, has charge of buying and financing; Charles directs the vegetable and meat market; Alfred, the bakery, and Howard, employment and store arrangement.



Each black bar represents the volume of sales for one Madison grocery store in 1919. The shortest bar represents a store with a volume of less than $2,000, and the five longest bars represent five stores that averaged more than $200,000 each. Only sixteen stores reported a volume of $50,000 or more

Each of the brothers has become a specialist in his line. Each is on a fixed salary. He does not raid the family till every time he needs some spending money.

"Everything that's good to eat at Piper's," is the chief selling point, hammered home with plenty of advertising. "Piper's National Bread," manufactured in the store bakery, is the leader. It is distributed not only in Madison, but in ninety other towns of Wisconsin.

The store operates nine delivery trucks, serving every section of the city. Seventy employees are carried on the payrolls. The store does an extensive credit business, carrying about $50,000 on the books continually with comparatively few bad accounts.

LAST spring Piper Brothers added a new method of increasing sales—the direct letter to the consumer. As a starter 500 letters were mailed to prospective customers in the university district. These letters explained to the housewife how she might obtain anything and everything she needed for her table by one telephone call to Piper Brothers.

"How many cities the size of Madison can boast of a store where persons can call or phone, and have delivered to their door everything they desire to eat?" the letter opened. Then it went on to outline briefly the variety of groceries, meats, fruits, vegetables, candies and bakery goods that might be obtained.

"With all of this you get guaranteed service. Our delivery trucks pass your door twice in the morning and twice in the afternoon, making it possible for you to have your goods at any hour of the day. * * *

"Certainly we are glad to extend credit for your convenience. All that we request is a satisfactory reference."

The result of the 500 letters was this: Within a week it was necessary to put on an extra delivery in the district.

Sam, in reply to a question, gave the results of consolidation as these:

Reduced purchase prices, largely due to the manufacture of products by the store for its retail trade, and to the ability to buy efficiently and in large quantities.

Reduced overhead expenses.

Increased service, made possible by increased sales and centralization of management.

Increased sales, made possible by increased service.

"And what effect, if any, has it had on other stores in Madison?" I asked again.

"When we opened business here there were five other grocery stores on the capitol square; for the last five years there has been none but ours," was the answer.

"While other firms have been complaining of poor business, so far this year our sales have been running to within 5 per cent of last year's totals—and this in the face of the fact that prices have been 25 to 35 per cent lower than last year, and that half a dozen large cash and carry stores have been established in the city."

So the story of Piper Brothers seems to bear out, to a degree, at least, the conclusions drawn by Professor Macklin from his survey—that "among small stores, increased volume of business, with corresponding increased efficiency, can be accomplished only by consolidation."

Sales by Seventy-nine Madison Stores in 1919

Size group	Number stores	Aggregate sales	Average sales per store	Per cent of stores	Per cent of aggregate sales
Under $10,000	8	$33,563.28	$ 4,195	10.1	1.0
$10,000, under $20,000	19	250,864.19	13,203	24.0	7.5
$20,000, under $30,000	11	262,402.97	23,855	14.0	7.9
$30,000, under $40,000	11	383,991.61	34,908	14.0	11.5
$40,000, under $50,000	14	618,840.05	44,203	17.7	18.6
$50,000, under $60,000	6	316,651.85	52,775	7.6	9.5
$60,000, under $100,000	5	359,312.58	71,862	6.3	10.8
$100,000 and over	5	1,101,270.37	220,254	6.3	33.2
Total	79	3,326,896.90	42,113	100.0	100.0

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Each To Its Proper Place

How Charges, Credits and Rebates in the Office of a Memphis Company Find Their Way Automatically to the Proper Records

By Leonard H. Allen

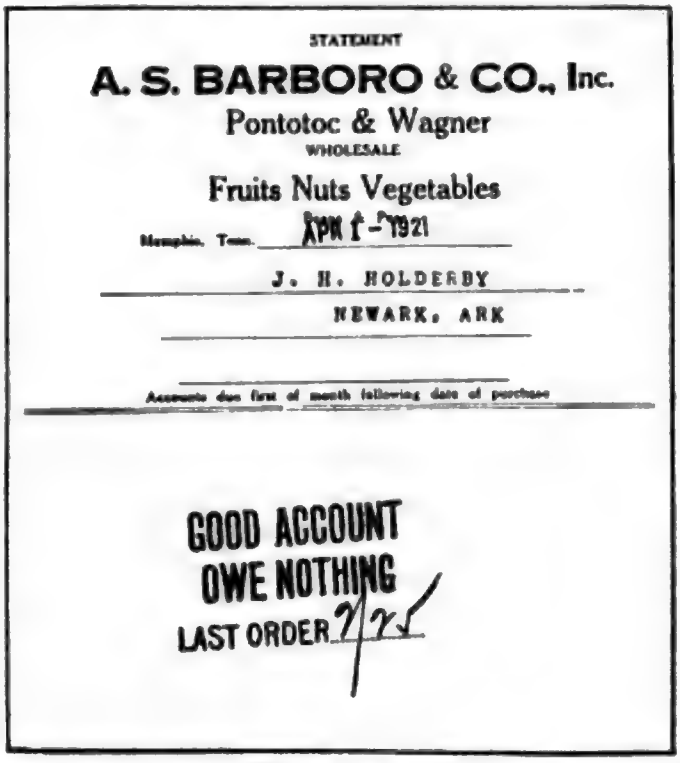
HAVE YOU EVER SEEN a string of freight cars being switched and classified over a "hump?" It's a fascinating sight.

The "hump" itself is simply a slope, sometimes artificial, down which runs a railroad track. At the bottom of the slope the track divides and subdivides again and again into sidetracks—a score or a half hundred of them—that spread out fanwise across the level ground of the yards. Near the top of the "hump" and overlooking all is the brain of the creature, a looming and bewindowed switch tower whose interior bristles with ranks and banks of levers. From each lever runs a connection, like a nerve, down to some certain switch in the gleaming expanse of trackage below.

A clanking string of freight cars comes over the top of the "hump" from the far side and starts the descent. Gravity and a man at the levers in the switch tower do the rest. One by one the uncoupled cars drift down the slope. One by one, guided invisibly by the levers in the tower, each of them threads its own easy-rolling way through the maze of rails where the tracks divide. And finally, one by one, each following a different course, each of them comes to rest with a jolt in its own proper place on some sidetrack down in the far-flung yards.

And now, as by a process of mental double exposure, project that picture of the "hump" and its workings upon the methods in the office of a business concern. Imagine the "hump" itself, the switches, the maze of tracks, as a system of office procedure. Imagine the rolling string of freight cars as incoming work—orders from salesmen, remittances from customers, discounts and rebates to be given. Imagine a plan of office practice so constituted that this incoming work is uncoupled as it comes rolling in, imagine it passing along a single track at first and then breaking up into segments to be classified, and then imagine those segments finding their way automatically through the records so that each little segment comes to rest at last in its own proper place.

Imagine all that and you have a picture of the workings of the office of A. S. Barboro & Company, Incorporated, of Memphis, wholesalers of fruits and produce.


STATEMENT

A. S. BARBORO & CO., Inc.

Pontotoc & Wagner

WHOLESALE

Fruits Nuts Vegetables

Memphis, Tenn. APR 1 - 1921

J. H. HOLDERBY

NEWARK, ARK

Accounts due first of month following date of purchase

GOOD ACCOUNT
OWE NOTHING
LAST ORDER 2/21

A "dun for an order"

First, for the background. Salesmen of the Barboro Company travel in Tennessee, Mississippi, Alabama, Kentucky and Southeastern Missouri. For the most part these salesmen follow railroad routes, rather than sections as defined by the lines of counties or other political divisions. They call on some 2,000 customers, but they do not reach personally all the customers of the Barboro Company. Some of the customers are in little towns off the traveled routes; these buy their fruit and produce by mail; they are circularized regularly with price quotations and thus are kept in touch with the market as it is represented by the Barboro concern. Of all the customers a majority buy on credit. There you have the background of the picture. Admittedly, it is an ordinary business background.

But the Barboro Company wanted to know a number of things about its customers, about its salesmen's territories and about its salesmen. First and most obviously, the Barboro Company wanted to know how much the customers owed it—how much each of them owed every day and how much they all owed together. That was enough to know about the customers; and an ordinary accounts-receivable ledger, operated in the ordinary way, would have told that. But that wasn't all.

The Barboro Company wanted to know, too, what its salesmen were doing, how much fruit and produce they were selling, how their sales compared with their expenses on the road and how their collections stood. And no ordinary customers' ledger, operated in the ordinary way, would tell that.

So it was that Lee T. Ford, secretary of the company, devised the accounting method that, in its operation, so much resembles the "hump" of the railroad yard. Charges, credits, rebates—all these roll in as do the cars in a train. Charges, credits, rebates, pass through the customers' ledger as along the single track leading down the slope of the "hump;" and then, just as do the freight cars threading the yards, each of them finds its own automatic way to its own proper place in some account or tabulation of statistics. And for this creature the brain is the customers' ledger.

The ledger, which is of the loose-leaf type, is divided as to states covered by Barboro sales and subdivided as to sales classifications within the states. Thus, the Mississippi section of the ledger has seven subdivisions. Six of these correspond to territories of salesmen and are designated by salesmen's names—"Williams," "Bradford," "Bailey," "Duncan," "Stevens" and "Humphries." In these subdivisions, arranged alphabetically, are the ledger cards of the respective customers upon whom these salesmen call. The seventh subdivision is designated "Mail." It carries the accounts of Mississippi customers not reached by the salesmen. So for each state the ledger is subdivided.

Consider first the manner of handling charges. They come to the Barboro bookkeeper in the form of copies of the invoices of shipments. First, the posting medium is arranged in ledger order, by states, by the subdivisions within the states and finally alphabetically within the subdivisions.

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A. S. BARBORO & CO., INC.

SHEET NO. NAME W. A. WILLIAMS

RATING ADDRESS P. O.

TERMS SHIPPING POINT

	PROOF	FOLIO	DATE	CHARGES		DATE	CREDITS	BALANCE
			BAL	14,284.27				
			APR 21	9,474.22		APR 21 CR	11,143.47 -	
			APR 21 CD	104.15		APR 21 CM	615.86 CR	
			APR 21 JD	196.74				12,300.05 CR
	12,300.05		MAY 21	9,215.27		MAY 21 CR	10,459.84 -	
			MAY 21 CD	337.20		MAY 21 CM	145.20 CR	
			MAY 21 JD	95				11,248.43 CR

The salesman's individual ledger account gives a complete picture of his work. It shows the amount of his sales, the state of his collections, the amounts credited for merchandise returned, and the total of accounts outstanding in his territory

Williams, Mississippi salesman, has sold a "bill" to the Clarksville Grocery Company, of Clarksville, Mississippi. The bookkeeper, running the day's posting of debits to accounts receivable, encounters this charge—say of $13.09—in its proper order among the invoice copies and finds, simultaneously, the Clarksville Grocery Company's account in its proper place in the "Williams" subdivision of the ledger. The bookkeeper posts the amount of $13.09 to the debit side of that account. The posting made, the bookkeeper returns the account card to its place in the ledger, but offsets it out of line for later reference. Thus he goes through the "Williams" subdivision, posting each debit to its proper account.

However, that subdivision of the ledger is an independent entity. With the last item posted to an account in the subdivision, the bookkeeper checks the postings by listing and totaling the "Williams" invoices and then running a differential proof of the balances on the offset cards in the "Williams" subdivision of the ledger. The total of invoices is $112.49; that much ought to have been charged to the accounts. The net difference between the old and new balances on the ledger cards, as established by the differential proof, is $112.49, thus proving that the correct amount has been charged. Check! And the bookkeeper goes on to the next subdivision of the Mississippi ledger—Bradford's.

That listed total of charges posted to the "Williams" subdivision, and that strip of paper carrying the differential proof of balances on the "Williams" accounts are not thrown away. The bookkeeper clips the two strips together and files them by hanging them on a wooden rack. That rack, as will later appear, is a bank of sidetracks.

For each subdivision of the ledger, for the accounts of customers of salesmen and for the mail accounts in each state, the bookkeeper posts all charges, balances all accounts and files away those two strips of figures—and so completes the day's posting of charges.

Next consider collections, usually in the form of checks from customers. Credits are posted in a separate run, but credits, too, are arranged in ledger order, by states and by divisions of sales within the states. As with the debits, the bookkeeper proves each subdivision of the ledger and preserves the two strips of figures—listed total of credits and differential proof of balances—by hanging them with a clip to the wooden rack.

IN the case of credits, however, there is this difference of detail: Some of the checks will be drawn for an amount less than that shown by the specific debit that the check is drawn to pay; the customer has taken that means of claiming a discount for prompt payment. In such a case the bookkeeper compares the check with the ledger account to make sure that the discount is allowable, then notes the discount on a sticker and attaches the sticker to the check. The sticker is for the enlightenment of the cashier, who, when the checks come to him later, will note the discount on a voucher, then detach the sticker and throw it away and finally total the discounts for the day, and charge the total to the discount account in the general ledger.

Then there are rebates to customers—allowances for returned fruit and produce and the like. These, too, are handled as are charges and collections; and for these, too, the two strips of paper go to their proper places on the wooden rack. And here that wooden rack takes the center of the stage.

Day by day, throughout the month, the rack accumulates strips of paper—strips showing totals of charges, totals of credits and totals of allowances. The strips, it will be remembered, have been labeled for identification. Thus they show, day by day, the total of charges against customers in each of the sales classifications—salesmen's routes and the mail territories—and the total of credits in those territories. Along toward the end of the month those strips perform their final functions.

A clerk takes the strips off the rack and adds their daily totals. For instance, he takes Williams' route first and totals the month's charges against customers on that route, then the month's credits and allowances. These totals he posts to still another ledger—a smaller ledger having an account for each of the salesmen and for each of the mail territories in the various states. Similarly, he totals charges and credits for Bradford and Bailey and Duncan and all the rest of the salesmen, and posts these totals to the respective accounts in this smaller ledger.

Consider one of those salesmen's accounts in this smaller ledger, and what it looks like. At the left are the debits—charges against customers in the salesman's territory. At the right are the credits—collections and allowances. The difference between the two represents the amount outstanding against customers in the territory. And there you have the story of the salesman's work. There you have the data for comparisons among the territories. What amount of fruit and produce have been sold in each one? What allowances and rebates have been given? What is the status of collections? The ledger cards answer those questions.

Now consider the individual salesmen. For instance, take this man Williams—although that isn't his real name. What sort of salesman is he? How does his volume of sales compare with the sales of his brother salesmen? How do his sales compare with his traveling expenses and how do his

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MISSISSIPPI SALES--APRIL, 1921

WILLIAMS	BRADFORD	BAILEY	DUNCAN	STEVENS	HUMPHRIES	MAIL	TOTAL
12307 *	1800	1045	750	4529	10949	43.71	
14565		2250	1020		10369	600	
53079	19699	6227	11335	3749	35919	24540	
55805	3675	10660	13797	54432	21178	1048.74	
72049	36891	12909	4406	41242	63840	20027	
45416	600	3938	2225	37802	31141	23224	
11249	15383	2092	3891	3554	23853	2598	
15854	4821	6181	1450		2620	1395	
44538	18213	7080	10395	823	26043	950	
60994	11873	11826	6678	40800	32770	81212	
34668	8491	16508	7048	32810	47888	27995	
62447	17701	2190	4019	42160	36800	3548	
20854	4253	2021	2560	3367	11086	1805	
19164	950		1828	1380	7729	2265	
41742	10186	10251	25323	1499	26330	6689	
53510	3053	12817	5732	36820	34050	78762	
46164	17191	11778	10341	25757	37800	32583	
47839	5833	1280	1290	50603	14411	8485	
8491	6072	2238	2893	603	11431	8852	
11919	1388	3434	1673	845	9904	2435	
46869	6960	5468	13790	7846	43500	5633	
64814	12659	12821	16423	32423	20512	65421	
24916	10825	15730	458	19726	31025	34686	
36828	12705	250	1700	41807	24848	18206	
24658	3965	2597	4151	4130	8500	8727	
16683	1125	1500	1475		9806		
9,474221	2,363121	1,650911	1,566511	4,887071	6,343021	5,698831	31,98368*

This form shows the total of sales for each salesman in Mississippi territory, the total of Mississippi mail sales, and the grand total of all sales in the state

traveling expenses compare with the expenses of the other Barboro salesmen? Only a comparison will answer those questions. And so the Barboro Company makes that comparison by means of a monthly recapitulation of sales—a sheet on which are totaled Williams' sales for the month and Bradford's and Bailey's and all the rest of the field crew. Then, to round out the picture and make the comparison complete, still another recapitulation shows the relation between the salesmen's sales and their respective expense accounts.

"What more," asked Secretary Ford, the man who devised the system, "what more would we need to know?" Only an echo could answer.

There is little lost motion anywhere in the office of this Memphis concern. Contemplate, for instance, the manner of receiving and recording orders from salesmen over the long-distance telephone.

Fruits and produce demand quick action in delivery. Barboro salesmen, working their routes, send in many of their orders over the telephone. A salesman, out in his territory a hundred miles or so from Memphis, will assemble a "batch" of orders, then call the home office on the telephone and read off the names, addresses and items. The Barboro Company's telephone tolls every month amount to a respectable total.

Recording those telephoned orders in the ordinary way—with a pencil and paper—would be a tedious and arm-tiring job; it would take too much time and cost too much in telephone bills; and it would open the way for too many mistakes. Ford uses his dictating machine.

The dictating machine stands at Ford's elbow. A salesman "calls in" by telephone. Ford starts the motor of the dictating machine, brings the mouthpiece of the speaking tube close to the transmitter of his desk telephone and "calls back" the orders, item by item, as the salesman reads them.

IN his telephone booth somewhere down-state in Mississippi, or maybe over in Eastern Tennessee, the salesman reads off his order blank:

"McGoof Brothers of Siwash."

"McGoof Brothers of Siwash," Ford repeats. "Shoot."

"Bunch of bananas," says the salesman.

"Bunch of bananas," says Ford.

"Hamper o' beans," says the salesman.

"Hamper o' beans," says Ford.

"Crate o' lettuce," says the salesman.

"Crate o' lettuce," says Ford.

So it goes. The salesman reads, item by item, and hears Ford repeat what he is reading. Ford makes no notes—just sits there and talks into the transmitter of the telephone and the mouthpiece of the dictating machine simultaneously. The waxen cylinder of the machine does the rest.

That dictating machine has a record. On one occasion, when a salesman called from Belzoni, Mississippi, a hundred miles from Memphis, the machine recorded, without a single slip, a total of thirty-eight orders averaging four items each in just six minutes.

The Barboro Company sends out statements monthly to its owing customers. The statements are "headed up" on an addressing machine. The machine, with its magazine loaded in advance and its attention focused upon turning out a given quantity of headed statements in the shortest possible time, concerns itself not at all with the fact that here and there in its stack of product there may be a headed statement addressed to a customer that, at the current time, owes the Barboro Company nothing.

From the addressing machine the headed statements go to the customers' ledger to be "made out." Then, by a comparison with the ledger, it becomes apparent that there are seemingly useless statements in the stack.

What was to be done with those statements? The first time they appeared in the Barboro office, which was upon the occasion of the installation of the addressing machine, somebody suggested that the unused statements be thrown away.

"Nope," said Ford, "We'll use them. We'll mail them out just the same and see if we can't make them get business for us."

Ford had a rubber stamp made. The stamp looks like this:

GOOD ACCOUNT
OWE NOTHING
LAST ORDER.....

Now when statements are being made up and when the bookkeeper

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finds an account that owes nothing, he imprints the face of the statement with that rubber stamp. From the ledger card he gets the date of the last order from the customer and he writes that date into the blank space provided for that purpose. On the ledger card itself he makes a note of the fact that the stamped statement has been mailed and the date of the mailing. Then the statement goes out.

Ford calls the stamped statement a "dun for an order." Usually it brings some sort of reply from the customer. Often it touches his sense of humor. On the other hand, it may turn out that the customer has been harboring some secret grievance that has needed just such a medium as the stamped statement to bring to light—to the end that it may be adjusted and appeased.

Occasionally, however, the customer replies not at all. A month elapses. Another "batch" of statements is being sent out. The ledger card reveals that the stamped statement, sent to the customer a month before, has brought no response.

"He needs special treatment," says Ford. And the special treatment starts with this letter:

Dear Sir:

We have not had an order from you for some time, although we have been quoting you regularly. We are at a loss to account for this. There may have been some failure on our part to serve you properly. If there has been, we believe we can satisfactorily explain it. Won't you please give us an opportunity to do that, using for your reply the enclosed stamped envelope?

That stamped envelope brings a reply—usually. If it does not, another letter goes out the following month.

"Well," said Ford, thinking of his whole program of office method, "that's just about our whole bag of tricks. Some of them are just little things, little devices here and there that, in themselves, don't seem to amount to much. But when you put them all together and make them work together, they amount to a great deal."

Rated on Their Performance

By Edward J. Ferguson

HE WHO makes no mistakes does nothing.

"He who makes too many loses his job."

These words, printed on a small cardboard and tacked on the wall, caught my eye as I entered to talk to "the boss" of an office whose bookkeeper has made only one mistake in seven years.

I have been in business houses that were models of exactness and system; others that were intensely human and homelike; still others that were marvels of intricate machinery; and some that were dynamos of brain power.

But none I have seen has so harmoniously combined all these elements as the Advanced Registry Office of the Holstein-Friesian Association of America, nestled in the little town of Delavan, Wisconsin, two trains a day, eight miles from Lake Geneva.

The only explanation I have been able to find for it is this:

Pedigrees.

A pedigreed boss.

Pedigreed workers.

Pedigreed office appliances and equipment.

The whole place seems to be charged with blue blood.

Now if you chance not to be familiar with the Holstein-Friesian Association of America, it is this:

It is a fifty-year-old, nation-wide organization of Americans interested in the breeding and ownership of the famous Holstein-Friesian breed of dairy cattle, co-operating to promote better cattle through greater care and selection, more careful mating and better marketing of the cattle and their products. It numbers among its officers Gov. Frank O. Lowden, H. F. DuPont, and Fred Pabst. During the fifty years of its existence it has recorded the pedigrees of 965,041 animals.



The Advanced Registry Office of the Holstein-Friesian Association of America. The woman seated near the filing cabinet and facing the camera is Mrs. Gardner

The Advanced Registry Office in Delavan tabulates and preserves the blood lines and maintains the purity of the breed for continued improvement. It measures production and tabulates the results achieved. In the words of "the boss" it "teaches the farmers how to keep cows that will keep them, rather than to keep cows that they have to keep themselves."

And the boss of this office is a red-blooded, thoroughbred business woman, with a warm heart but a mind like a steel trap—Mrs. Malcolm H. Gardner, wife of the superintendent. She runs the establishment, with its mass of intricate details. She lays no claim to a title.

"I'm not strong for titles," she said; "they don't bring you anything."

It would be difficult to describe Mrs. Gardner. One might say she is a paradox. She is an idealist, yet practical to the smallest detail.

She's from Missouri. She has to be "shown."

Her employees are fifty girls—all

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This great time-saver will earn immense dividends on its low investment. It *accurately* assorts a mere handful or a bushel of mixed coins almost instantly. Fits any lamp socket and is always ready for instant use. For the sake of your own pocketbook send for this machine on approval. Its use will be a revelation to you along time-saving, efficiency lines.

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Counts Coins

1,200 Per Minute
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How Long Does It Take You to Accomplish This Result by Hand?



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DETROIT, MICH.

ADVERTISING SECTION

pedigreed—all thoroughbreds—and all from Missouri.

No "hot air" goes.

Her office she likens to "a great big wheel."

"The hub is the superintendent; the spokes are my girl clerks; and the rim—well, I guess that's me.

"As long as every spoke is running true, the rim can carry the load. But if one of the spokes isn't carrying its own load, it forces the other spokes to carry it. And if they all weaken, there is nothing left but the hub."

I went through the offices where the girls were busy at their adding machines, calculators and typewriters, to see for myself how this big wheel runs. Here are some of the things I discovered.

Before a girl clerk is employed as one of the spokes, Mrs. Gardner finds her pedigree, which includes the pedigree of her parents and her record in school.

"If a girl has not been trained at home, and has not passed the early tests in school, she cannot expect to pass the tests of this office," Mrs. Gardner explained. "If I want to know a river I must know its source.

"Once she is employed, the girl is trained in the methods of the office. We give her every possible chance. Fairness is the first principle on which the wheel revolves. The second is happiness.

"The big wrong is being wrong and not being 'man' enough to acknowledge it," was the way Mrs. Gardner put it. "One unhappy girl can put crepe over the entire office. If two girls clash, I call them in on the carpet. 'What is there that will make you happy?' I ask them. 'If you can't be happy I can't keep you. If you can't settle your differences, one of you must go.' And so we get at the trouble by being fair. I'm proud of the fact that my chief clerk has been here thirteen years and her assistant twelve years.

"So you see it isn't I who runs the office; it's we. If we don't work in harmony we can't run at all. You know the moon has two sides. You can't see the other side, but it is there just the same. In being fair we try to look at both sides."

Now a Holstein-Friesian cow may be a thoroughbred, but unless her production is up to standard qualifications, she doesn't receive a certificate of merit. Her name fails to appear in the Blue Book. She must pass the official tests. The value of her calf, too, is determined on the records by the amount of her production. The standard by which she is measured is that of performance.

In the same way the clerks and the machines they work with are measured

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by their performance. If they fail to meet the standard they must go.

Not long ago a girl who had been in the office seven years was notified that she must leave. She was amazed, and asked Mrs. Gardner the reason.

"Too much tongue," was the answer, and it was final.

The same principle is carried out, I found, in the selection and use of machines for the office.

In the first place the machine must have a pedigree. But it must also be put to the test.

Now there are 3,000 experts to test performances of the dairy cattle; Mrs. Gardner tests the performances of her thoroughbred clerks; but who should test the performances of the pedigreed machines?

"The girls themselves are the ones to select the tools they work with," is Mrs. Gardner's answer. The girls do it. They, too, are from Missouri. They have to be shown.

And so, when a salesman brings in a new machine to Mrs. Gardner, and tells her it's just the thing she needs, she passes it on to the workrooms. One girl tries it and passes it on to the next, until it has gone through the whole shop of Missourians. The result: It is either kept in the office or laid on a shelf.

Such, I discovered, was the recent history of a calculating machine, a machine which the girls at first looked upon with suspicion, then with respect, and finally fought for; until today there are six calculators, all in demand and all working overtime in the office.

One day a salesman brought the calculator into Mrs. Gardner's office and told her its merits. She agreed to let the girls test it out. They passed it around. They fiddled and fussed with it at intervals during the rush of work, but they couldn't solve it or find a use for it. It was turned back to Mrs. Gardner.

The salesman returned. Mrs. Gardner shook her head.

"We wouldn't have it on a bet," she told him.

Some time later another salesman came along with the same breed of calculator. He was a real salesman; and he knew a Missourian when he saw one. His name was Bobby Stevens.

Again Mrs. Gardner shook her head.

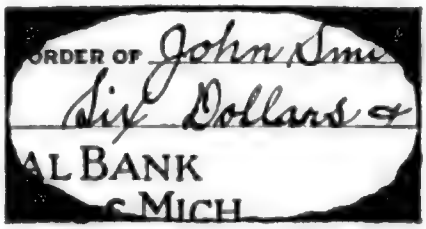
"But just give me a chance to put it to the test," Bobby pleaded. "Send for one of your girls. Let her bring a problem, and I'll show her how to solve it."

Mrs. Gardner agreed. The girl came with her problem. It was this:

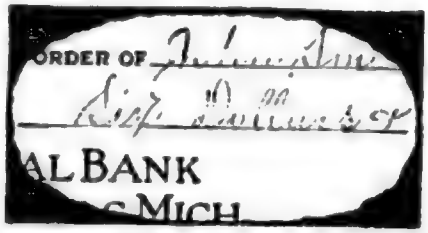
"The total yield of a cow for two days is 78.5 pounds of milk containing 2.319 pounds of fat. What is the percentage of fat?"

"Easy," said Bobby, and he began

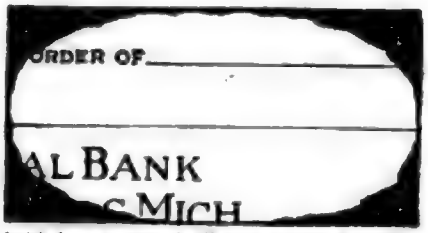
Behind the Scenes With a Check Raiser



The original amount and payee



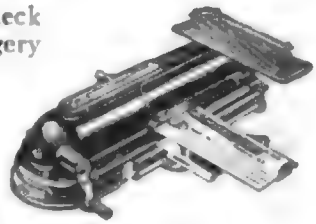
He applies his acid—the writing begins to fade



Acid has removed all the original writing except your signature—not a stain or trace of erasure. The check raiser now has your check signed in blank

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prevents all common forms of forgery and check fraud. Legal guarantee in form of a forgery insurance policy issued to each purchaser.



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It would be against public policy to disclose generally the methods of check forgers, but to those entitled to know—bankers and business executives—we will send the enlightening book "Scratcher Sends a Warning," being the confessions of a master forger. *Mail the coupon.*

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Bus. 8-23

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Will bond prices rise materially?

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The Largest Organization of Its Character in the World

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We have satisfied customers throughout the United States and in Canada and Mexico. We can satisfy you. Our Stickers have extra adhesive quality, are carefully printed and the colors are unsurpassed for brilliance, beauty and permanency.

We make Stickers of all sizes and kinds. Our capacity is practically unlimited. We can make a thousand or a million.

Send for our booklet in colors. It gives prices.

ST. LOUIS STICKER CO.
1627 WASHINGTON AVE.
ST. LOUIS, U. S. A.

to show the thoroughbred girl from Missouri how to press the keys of the machine to get the result.

In a moment he produced the answer—2.95 per cent.

The girl tried another problem, then another and another, and worked them all. She figured them out with paper and pencil and checked the results with the machine. Soon she was as expert as Bobby. She had been "shown."

She carried the little calculator back to the workroom and "showed" the other girls. They nicknamed it "Bobby"—a name it still carries. Then they began to fight to use it.

Mrs. Gardner, as usual, called them on the carpet to discover what the trouble was. She settled it by ordering five more "Bobbies" and dividing them evenly among the girls.

Today the six "Bobbies" solve problems of averages, percentages and multiplications on hundreds of official tests of Holstein-Friesian cows—to be exact, 4,200 every month, or 50,400 a year. In addition there is a similar number of semi-official records—the reports of the daily milk yield for each cow, as submitted by the owner. In this work the "Bobbies" are reinforced by a battery of adding machines.

Fifteen of these individual records an hour is the average output for each calculator. This is more than double the number formerly turned out by the pad-and-pencil method, which averaged six or seven an hour.

The intricate details of the registry office would be a study in themselves. Annually the daily records and monthly official tests for each cow are tabulated, giving the total pounds of milk produced, the average per cent of fat, and the total pounds of butter fat.

These records furnish the basis for awarding prizes and constitute the Blue Book of pedigrees, the summary of the year's work in one volume. During the last year 17,518 advanced registry certificates were issued to breeders, increasing the value of their cattle $100 per head on an average, or a total of $1,750,000 for the year, according to the estimates of the association. The total number of pedigrees on record is now 127,850.

The "show me" policy is carried out in buying all supplies for the office. Mrs. Gardner has at her finger tips a complete card file, with a card for every item, such as envelopes, books, pencils or ribbons. Each of these cards contains an itemized list of every purchase for several years back, with the date of purchase, amount, price, and seller's name and address.

If a stationer, for example, makes her a price on 5,000 envelopes, she quickly turns to the envelope card. If his price is higher than one he has made her previously, he must show her the

VERTISING SECTION

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reason why. If he can do so he gets the order.

Much of her buying Mrs. Gardner turns over to Delavan business men who act as her agents.

"This is better than relying entirely on the word of salesmen," she said. "I believe in hiring somebody who knows more about it than I do."

Her estimate of salesmen was this:

"Personality is fine. I like it. But I don't like to buy personality. What I want is to be shown."

I was curious to learn Mrs. Gardner's reasons for employing girls instead of men for her office. She gave them readily:

"Women are very keen on detail," she said, "but not on initiative. They're born that way. They are in the habit of depending on the masculine. But they are 100 per cent more efficient on detail than men are. Women will carry details closely, but if you want a conclusion based on these details, you will have to get it yourself. They are not constructive, as men are."

Her tests for the efficiency of her girls, she says, are based on three points—accuracy, honesty and the Golden Rule.

"Some persons are saying that women will take the places of men in business. I don't believe they will as long as there are men who hold to the rule of business—the Golden Rule. It is so dazzling that some men can't even see it with dark glasses."

And now, if you are not acquainted with the woman who runs a business on pedigrees, perhaps a few sentences of hers, dropped casually during a short conversation, will serve to picture her.

"Success consists chiefly of the capacity to apply your goods or your services to other people's needs."

"Temper is an asset. If you lose your temper, you lose an asset."

"I have no use for short-haired girls and long-haired men."

"I am very proud of the fact that there is not a discourteous clerk in this office."

"I gave up social life for work. You can't serve two masters. Social life of itself gets nowhere. The thing that is interesting is working out daily problems."

"Everybody has a hobby, and no man is ever too busy to talk about his. My hobby is my girls."

"It isn't the dynamite that does the business; it's the man who holds the fuse."

"I delight to work with young folks. I hope I never get so old that I can't see their foolishness."

"I believe in being constant in buying. If a man gives service at a just price, keep him."

"Personalities should never enter



The Alarm

Flashing out an alarm, a glaring white spot gives instant warning when a Super-Safety check has been tampered with. The sensitive surface color disappears, leaving the vivid white splash when acid, rubber, or knife erasure is attempted. That is sufficient to prevent your bank teller from paying an altered check.

Yet another element of still greater safety is added to Super-Safety checks. They are *insured*, and you receive a "card policy" indemnifying you against loss by reason of fraudulent alterations or changes. Use *Super*-Safety checks. Your banker will supply them, or you can order specially made checks for yourself direct from us.

The Bankers Supply Company

The Largest Manufacturers of Bank Checks in the World

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ATLANTA DES MOINES SAN FRANCISCO

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Extend Your Store Front With a Flexlume Oplex Sign

MANY merchants have found that since they installed their Flexlume Oplex Electric Signs their store fronts seem larger.

This is just one of the ways a Flexlume Sign helps business. You've only to look at the cash register to know they do help.

Flexlume Electric Signs have raised, snow-white glass characters. The lamps are enclosed in the body of the sign and so arranged that all of the light is thrown through the openings which form the letters. They are perfect day signs as well as night signs. They have greatest reading distance, lowest upkeep cost, most artistic designs.

Let us send you a sketch showing a Flexlume Sign for your store

FLEXLUME SIGN COMPANY
42 Kail Street BUFFALO, N.Y.

into business. It is not good business."

"Some of the officers of the Holstein-Friesian Association don't know anything about cows."

"I'm in the habit of taking pedigrees, not giving them."

"Me? I have no history. I'm just here. I was born and reared in a city and went on a farm. There I learned the value of what man meant to the animal and what the animal meant to man."

"I was trained as a nurse, but I never have taken pink pills."

"Shop on Shoe Street"

Six retail shoe dealers of East Sixth Street, Cleveland, have joined in a co-operative campaign to advertise this street as "Shoe Street." The stores, all of which handle nationally advertised goods, are the following: The Regal Shoe Company, The Nettleton Shop, Ralston Boot Shop, The Kelley Bootery Company, selling Charles Cort shoes, Dr. A. Reed Cushion Shoes and the Stetson Boot Shop.

The following quotation from one of the advertisements suggests the way the stores are advertising:

"Within one short block—from Euclid Avenue to Superior—East Sixth Street has become 'Shoe Street'—the Maiden Lane of Cleveland's shoe business. Here you will find exclusive 'shoe shops' where quality and style are first considerations, and where price is moderately consistent with quality. Shoes of national reputation—shoes that have 'made good' for years—shoes that will give you the utmost satisfaction—are the kind of shoes you'll find on 'Shoe Street.'"

The slogan of the campaign, of course, is "Shop on Shoe Street."

An Expensive Woodpile

The largest and most expensive woodpile in the world is to be found at Corinth in the foothills of the Adirondacks. Needless to say, it has no relation to the ordinary woodpile to be found in the back yard. The International Paper Company, at its Corinth mill, boasts a woodpile that on a conservative estimate, cost it approximately $1,500,000. Stretched out lengthwise, it would reach out more than three city blocks and is close to fifty feet high. The woodpile contains 65,000 cords of wood that, on a conservative basis of figuring, cost $23 a cord. The wood has been under accumulation for nearly eighteen months. Assuming that the woodpile as a whole is idle for twelve months, it takes more than $89,000 a year to pay interest on the investment at 6 per cent.

—Wall Street Journal.

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The money-column a 13th-century invention

In England, about the year 1300, bookkeepers first entered amounts in a separate column. One of the earliest books in which this innovation appears is an "Account of the Royal Wardrobe," a page of which is reproduced here.

In the books used for modern Loose Leaf accounting, one opening of the book provides more than one hundred columns. Expenditures of many departments, each under its proper heading, are entered side by side for quick comparison.

Among the business houses that use National Loose Leaf and Bound Books in their accounting departments are such institutions as the Cunard Steamship Company, Ltd., the Fleischmann Company, and the Goldwyn Pictures Corporation.

Ask your stationer to show you the National line of Loose Leaf Columnar Books and Sheets—National Series O7048 to O7088.

Look for This Trade Mark When You Buy

NATIONAL

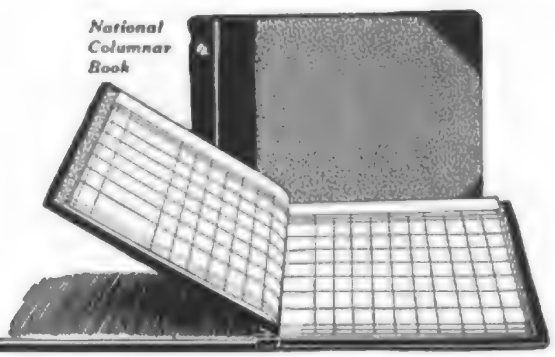
Loose Leaf and Bound Books

NATIONAL BLANK BOOK COMPANY
109 RIVERSIDE, HOLYOKE, MASSACHUSETTS

EVERY accountant and every purchasing agent ought to have our book, "Ready Records for Accounting." It's free—ask your stationer for a copy. If he cannot supply you, write us.

Ledgers
Ledger Sheets
Post Binders
Sheet Holders
Bank Forms
Price Books
Ring Binders
Columnar Sheets
Commercial Forms
Memorandum Books
Students' Note-Books

National Loose Leaf Columnar Books can be had with anywhere from 2 to 126 columns. The sheets include forms designed especially to record information necessary for tax returns, distribution of expense, sales statistics, etc.





The appearance of a Deposit Book influences the new depositor

ARE the Deposit Books you are handing to your patrons suggestive of the character of your Bank? These books, together with your checks, are a constant reminder of your bank and should be planned accordingly.

Deposit Books made by William Mann Company are of the finest quality and reflect strength, dignity and refinement.

Due to the high cost of leather, we recommend that you have your Deposit Books bound in Mancotine—an imitation leather which does not in any way detract from the appearance or quality.

Samples and prices gladly submitted.

THE BIRMINGHAM TRUST AND SAVINGS CO., Birmingham, Alabama, are using Mancotine on their Ladies' Deposit Books. This is indeed a recommendation, as the "female of the species" is notably more appreciative of neatness and beauty.

Blank Books—Bound and Loose Leaf—Lithographing, Printing, Engraving—Office Stationery and Supplies

WILLIAM MANN COMPANY
PHILADELPHIA
FOUNDED IN 1848

New York Offices: 261 Broadway



Adequate knee room for the typist distinguishes this patented, vibrationless Macey Desk with its stronger top. Devoid of weights or springs, with a touch it opens or closes. Another advantage is that the typewriter is always held level

Catalog, with address of an Authorized Macey Representative—a good store to patronize—on request. Or look for this window identification

THE Macey LINE

Steel Files, Wood Files, Filing Supplies, Steel Safes, Office Desks, Matched Office Suites, Sectional Bookcases

THE MACEY COMPANY, *Grand Rapids, Mich.*
Made in Canada at Woodstock, Ont. European Office at London

Government—Now a Business

(Continued from page 9)

estimates to suit himself, reducing or increasing them. His duty is to assemble the estimates, revise them if necessary and turn them over to the President in the form of the budget. The President sends that budget to Congress and stands back of it.

The director and his assistants are further empowered to survey the departments and thus enable the President to make changes for efficiency in their organization or methods and in their appropriations, or to re-group their services. The director has access to all books and records. In each department is a representative of the director, a budget officer whose job it is to gather budget information.

The law also establishes a general accounting office, independent of the money-spending departments, and under the control of a comptroller-general of the United States, who is the agent of Congress. He is the general auditor for the entire establishment, and he takes the place of the comptroller of the treasury. The comptroller-general may check up the President or any member of the Cabinet and demand a full and accurate settlement of accounts.

"And now that you've got it, what are you going to do with it?" was the question asked as soon as the budget law was on the books.

President Harding gave his answer by appointing a full-fledged business man, financier and army officer, as director of the budget.

General Dawes gave his answer first by serving notice of his intention to dig deep—then by digging.

The President and his new budget director lost no time. The day before the law was signed they called the first business conference. To the conference they summoned all the heads of departments, heads of independent government establishments, assistant heads, chief clerks, bureau chiefs and their assistants.

"Fellow workers," was the way General Manager Harding addressed them. "I do not think there has ever been a meeting like this, certainly not to my knowledge, in the history of the government of the United States."

Then he pointed out the menace of growing public expenditures and indebtedness, and the necessity of a drive against the "loose, unscientific expenditures of government."

"We want to reverse things," he told them. "Every resolution, every commitment, every determination of the administration is to join with you and have you join with us in inaugurating the new efficiency and economy of administration."

With this introduction, General

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Dawes proceeded to tell the departmental executives just what he intended to do with them—and to them. He told them that first he would want financial information about their respective departments and bureaus.

"Because I represent the President, I am entitled to information," he said, "and entitled to that information over the head of any department head from now on.

"The president of the corporation bears a responsibility for the whole institution, and he has the right to get information where he pleases and from any source in that corporation, from a washerwoman scrubbing the floor, up to his first vice-president."

It looked as if Dawes meant business. Yet in the same breath he made it clear that his method was not to be that of highhanded—or underhanded—sleuthing; that the success of the whole undertaking would depend on the co-operation and suggestions given by each official.

"If anybody comes with a good reason he can shake the ground under our feet," Dawes said. "In France I have seen a second lieutenant who had courage and information, coupled with good reason, shake the ground under the feet of the commander of the American Expeditionary Forces."

Each department was told to get on the jump and cut expenses for a saving on the appropriations for the present year. Dawes gave the executives until July 30 to have their facts and figures in for the completed budget.

And for something more to digest, he added this:

"The President says—and his word goes—that none of us are now allowed to assume that our congressional appropriations already made for the year commencing this July 1, or any other year, necessarily constitutes the minimum expenditures during that year. * * * For what corporation could ever exist in which all the directors, the administrative vice-presidents, the president of the corporation, and everybody, would limit their expenditures only by the largest sum of money they could possibly get?"

For a starter toward immediate economy, Dawes told the conference he had lopped off a 25 per cent cut from his own $225,000 appropriation. And he wound up the meeting by directing the department heads to show a little speed.

The machinery began turning. At the jump-off Dawes proved again that he carries a kick. He went into his work in the same way he cussed Congress during the investigation of war expenditures. He was too busy for ceremony. He didn't wait to be fitted out with fine offices and a mahogany swivel chair. He borrowed



Multiplex Floor Fixture No. 3. It is self-supporting, strongly constructed of steel tubing. Equipped with 48 state maps on removable wings, with thumb tack filler, ideal for map tack system

Your maps should be as convenient as these



WALL PIVOT MULTIPLEX



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NO. 11 FLOOR MULTIPLEX

The MULTIPLEX way of using maps has proven to be the best for the modern office because it guarantees absolute convenience, ready reference, close inspection and rapid comparison, without stooping or straining.

Multiplex concentrates all important information and business facts at your finger tips, and permits quick, confident, correct decisions on business problems and policies, otherwise difficult of solution.

Multiplex Map fixtures are built in all sizes, in desk, wall, and floor types, to suit every business requirement. They are equipped with Rand McNally or other maps.

Write at once for "FACTS map-visualized by Multiplex."

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ADVERTISING SECTION

Increase Your Business in the South!

Display Your Merchandise in the

New Orleans Business Show

Times Picayune Building, Lafayette Square

Week October 3rd to 8th

New Orleans Business Show is endorsed by the South's Leading Bankers and Principal Business Colleges, the South's Greatest Newspapers and the Best Office Appliance Dealers.

Tickets Furnished All Exhibitors for Distribution.

Prizes will be awarded to the winners of Typewriting, Adding and Calculating Machine Contests.

Address All Mail: Business Show, Robert Hayne Tarrant, Manager, P. O. Box 154, New Orleans. Office: 733 Canal Street.

KEEP RIVALRY KEEN

among your workers by visualizing their records on this Movable-bar Chart.



EDEXCO MECHANICAL GRAPHS are new and simple types of Graphic Control Boards and make it easy for the executive to picture quotas and results in large or small businesses.

Send Now for FREE Booklet Illustrating in color various types of Edexco Mechanical Graphs

EDEXCO GLASS HEAD MAP PINS Solid colors will not peel or scratch, 2 sizes.

Send $1.00 for Big Trial Outfit containing 100 map pins and other marking devices, sales maps, charting papers, curve cards, EDEXCO map mount, 2 catalogs—GRAPHIC Supplies and Mechanical Graphs. Catalog alone sent free. Please say which.

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Business Blanks To Fit Your Needs

Hano Business Forms are ruled to meet the special requirements of your business. Show conditions at a glance. Save work and worry. Our Service Department will be glad to show you how your record keeping can be simplified.

We Save You 25 to 33 Per Cent.

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Suite 264, 789 Broadway, N. Y. City.
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Send for sample cost tickets and complete data



Money Leaks Revealed

Through idling, delays, misunderstanding, etc., there is much costly loss of time in shops and offices—perhaps yours. This is revealed and ended by

The AUTOMATIC TIME STAMP

Times and dates with one quick, simple operation, every job, shipment, receipt, letter, telegram, invoice, etc. Doubt vanishes. Idlers idle no more. Slowpokes speed up. A reliable cost system becomes possible. Payroll profits grow. Write today for full information and list of users.

The Automatic Time Stamp Co.
161 Congress St., Boston, Mass.

"Originators of the art of printing time automatically."

AT LAST!
BEAUTIFUL LITHOGRAPHY FOR SMALL USERS

1000 Letterheads, 1000 Billheads and 1000 Statements — ONLY $13.75 for Lot

1000 Letrhds & 2000 Billhds $13.75
1000 Large & 2000 ½ Letrhds $13.75
5000 large Letterheads $23.75
2000 Letrhds & 4000 Billhds $23.75

Customers from Maine to California. Lithographed on good Bond Paper. *Write for Samples.*
KAY-BEE LITHOGRAPHING CO., 770 Teutonia Ave., Milwaukee, Wis.

EASIDAY RULED WORK SHEETS FOR ACCOUNTANTS

New idea. Uniform in size. Find like a book or file in ring binder. Ready instantly. Rulings for all needs, in new colors that are "kind to the eye." Evolved by C. P. A. of 17 years' experience. Packet of full-sized samples and list of special forms free. **Samples Free**

BAKER-GOODYEAR COMPANY
42B Church St. - New Haven, Conn.

a room from Secretary Mellon in the treasury building. Next he borrowed a desk and a stenographer from his old-time friend, General Pershing. Job seekers and congressmen were out of luck. He called a business associate from his trust company in Chicago, Francis J. Kilkenny, who had been his aide when he was in charge of purchasing army supplies in France, and made Kilkenny his secretary. He borrowed two young officers from the army, and continued their army pay. He announced that he intended to draft the services, without salary, of a number of the most prominent business men in the country.

Thus he started.

At the outset the first tentative budget struck at the heart of leakage and extravagance—deficiency appropriations. Since the first of the year, Dawes learned, requests for deficiency appropriations had involved a total of $275,000,000.

The screws were tightened. Department and bureau chiefs were told not merely that they must stay within their appropriations, but that they must *save* on their appropriations. The first executive order, approved by the President, contained these words:

"The amount approved by the President for expenditure under an appropriation title shall be considered as the MAXIMUM available for obligation during the fiscal year. The estimates of expenditures, once approved, will be subject to further study and revision during the course of the fiscal year, and all possible savings therefrom will be effected."

The next order, closely following, called for a complete inventory of stocks and materials. Department heads were directed to make an immediate survey to determine the amount of material, supplies and equipment "not now being efficiently used."

"Such property," the order said, "must be utilized to meet immediate requirements of the bureaus and divisions to conserve existing appropriations by eliminating unnecessary purchases."

Nowhere in the tangle of government red tape had there been any tabulation to show the government's current assets. Dawes ordered such a tabulation. Likewise, he undertook to catalog outstanding liabilities for the preparation of one big balance sheet—the $500,000,000 spent last year in excess of appropriations, the funds realized in the sale of surplus stock, and the unexpended balances of appropriations.

The next order called for complete co-ordination of all government purchases and sales, to centralize control on all contracts. That order struck directly at a costly practice of departments—that of bidding against one

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another in the purchase of supplies and paying varying prices for the same materials. The order directed that whenever advertisements for bids are contemplated, "before such advertisements are made public, copies of the same shall be sent to the surplus property division, or corresponding agency, of each of the executive departments."

Similarly every department advertising material for sale was directed to inform every other department of the advertisement in a similar manner. The Interdepartmental Board was charged with co-ordinating these activities.

The effect was a uniform plan of buying and selling, a plan compelling department heads to act together in preventing overcharges by contractors.

In less than two weeks' time this series of orders, with the President's approval, had the budget ball rolling.

Meanwhile Dawes was quick to assert his avowed policy of recognizing initiative and co-operation from heads of departments and bureaus. He announced that a suggestion by George R. Carter, public printer, for a conference to adopt uniform standards and businesslike methods in public printing, binding and distribution, had been adopted, and that steps would be taken immediately to act on it.

What manner of person is this picturesque man Dawes? Seated at his desk, with a long cigar between his teeth, he is essentially the wide-awake energetic business man. Yet strangely mingled with this thorough-going business quality is the tinge of the military. His subordinates still call him "General." He clips off his verbal orders with the click of military precision and men in uniform "snap into it" to execute those orders.

The general's brain seems to carry a map of his whole campaign. He seems to know where he's going and what he's on his way. One wonders whether he can keep the pace.

President Harding, his general manager and commander-in-chief, is one person, at least, who has expressed the utmost confidence in the director of the budget.

"Leave it to Dawes," was the cheerful attitude of the President when he was questioned about the budget.

The President said he was confident the budget will be a "big success." And that was the most he would have to say about it.

Still, it may be well to recall again the warning of those who are its best friends, "Don't spoil the budget system by expecting too much of it."

At best it can control only a comparatively small portion of government expenses. It cannot cut down the vast fixed sums required for the army and the navy, for the pay of



Bigger Business for Merchants

There isn't a retail store in America that can't get *more* business through the use of direct advertising. Form letters, price lists, special announcements and bulletins can be printed in your own store and mailed or distributed *direct* to prospective customers.

ROTOSPEED STENCIL DUPLICATOR

Here is a machine that does just that kind of work. It prints anything that can be typewritten, hand-written, drawn or ruled. An office boy or stenographer can run it. There is no type to set, no trouble, no muss.

1,000 Business Getters for 20c

Through the use of the Rotospeed The Esteridge Grocery Company *doubled* its business in two months. Irvin and Carey of Gallup, Ky., increased their trade 50%. Thousands of merchants have found it a business getter and a money saver.

Banks and Factories

Every bank needs a Rotospeed. It prints notices and letters that will increase deposits and secure new accounts.

Every factory has a dozen uses for the Rotospeed—the Sales Department, Credit Department, Production Department—all require forms that this machine can produce cheaply and quickly.

$43.50 Complete

The Rotospeed Stencil Duplicator is easy to operate. It does everything that a stencil duplicator can do, with fewer operations and with less expense. And yet the price, equipped for all classes of work, is $43.50.

10 Day's Trial at Our Expense

The Rotospeed is sold direct from factory to user. We offer to put the machine in your office, complete with all equipment and supplies, and let you use it as you please for ten days. The saving on ten days' work will probably more than equal the entire cost of the machine.

Order now or mail the coupon for booklet, details of our Free Trial Offer and samples of work done on the Rotospeed by others in your line of business. Simply sign the coupon or pin it to your letterhead and mail it at once.

The Rotospeed Company
637 E. Third St., Dayton, Ohio

Free Trial

The Rotospeed Company
637 E. Third St., Dayton, Ohio

Send me, at once, booklet, samples of work and details of Rotospeed Free Trial Offer.

*Name*_____

*Address*_____

The Follow-Up

We are prone to belittle the value of follow-up letters.

Read how one manufacturer analyzed one hundred orders ("Selling Aid" Vol. 4, No. 1).

From the	first	letter	0 orders
"	" 2nd	"	7 "
"	" 3rd	"	12 "
"	" 4th	"	19 "
"	" 5th	"	24 "
"	" 6th	"	22 "
"	" 7th	"	16 "

The last three letters produced nearly *twice* as many orders as the *first four!*

STANDARD ENVELOPES will help solve the follow-up problem, without excessive cost.

The STANDARD ENVELOPE *Manufacturing Company*

1013 Oregon Ave., Cleveland, O.

Fenton Labels and Seals STICK

YOU have countless needs for labels and seals in your business. Be sure you use Fenton Labels and Seals. They stick where you stick them. The whole surface takes hold. No curling of edges, tearing, or peeling off. This stickability is one of the things that make Fenton Labels and Seals famous.

Fenton Label and Seal designs are numberless. Fenton quality means the best paper—the best printing and color work with the best sticking surface. Fenton service insures prompt delivery. Fenton value means the best labels and seals at the lowest price consistent with quality.

Let us supply you with Fenton Labels and Seals. Write us for prices and catalog.

FENTON LABEL CO., INC.
506-512 Race Street
PHILADELPHIA, PA.

soldiers and sailors, for pensions and for the public debt. It can effect economies in the administration of these major sums, but it cannot touch the sums themselves. Undoubtedly the budget system is an epoch-making measure in American governmental finance.

I found that even those who are opposed to the present administration see in the budget the beginning of a new order, bringing a semblance of clarity out of confusion, system out of disorder, financial responsibility out of recklessness, co-operation out of disharmony, and—"more business in government."

Going, Going, Gone!

Not every merchandising idea that goes over with a loud and reverberating bang is a good merchandising idea. Commercially speaking, it is possible for a good idea to be entirely too good.

A Kansas town with three or four thousand inhabitants and a big country trade had the usual Saturday-night peak of retail business. The community's merchants sought to level off the high spot by moving some of the Saturday-night business to the middle of the week. In casting about for a method with which to draw business into the town on Wednesday, they hit upon the plan of an aution sale.

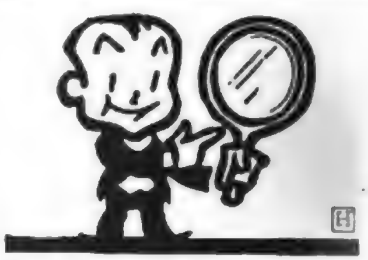
Farmers go to auction sales for much the same reason that city men go to ball games—to see the sport. Theoretically, the auction idea looked good. It was, so developments demonstrated, too good.

The merchants rented a storeroom. Therein, it was projected, they were to stage their auction sale. The sale was to be a community enterprise, to which the furniture dealer was to contribute furniture, the hardware dealer hardware, the grocer groceries, and so on. The merchants stocked up their auction room, engaged a good, long-winded auctioneer whom the farmers all knew, set him up on a box in the salesroom, and touched him off. They had announced their project to the country folk. They sat back to watch results.

The results were immediate. The farmers came in to the auction. They brought their wives and children along. They bid against each other, hilariously, for the merchandise. They had a glorious time. The following Wednesday more farmers and their families came.

"Fine business!" the town merchants said. "Just look how it brings 'em in! We'll have to get a bigger room!"

Bring 'em in it did. The third week saw a still larger crowd. Also, the third week introduced an unexpected variation. Some of the farmers carried in things of their own to sell at the auction.



See for Yourself

how much more satisfactory it is to use fully-inked Multigraph ribbons instead of ribbons that are half or wholly worn out. Old ribbons can be made just as good as new and used over and over again by simply renewing the ink.

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Re-inked ribbons will print just as well as new ones and their cost is no more than the cost of the necessary amount of ink.

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THE BABY TYPEWRITER STAND



$6.50 F. O. B. Detroit

Positive Guarantee

A strong, well-built Stand of five-ply oak, veneered top, 17½" x 14". Will last a lifetime. Easy to move about. Suitable for small office and home use. 26" high.

Sent on trial for $6.50. Money back if not satisfied, or write for details.

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"Good idea," the merchants said. "It'll add interest to the sale! Let 'em go to it."

Townspeople began going to the auction. They went to buy the butter and eggs and poultry and country sausage that the farmers brought in. The grocers of the town looked a bit anxious, but their brother merchants reassured them; and the sale went on.

On about the fourth or fifth Wednesday one of the farmers brought in a phonograph. He had bought it for $38 at the first day's sale. Now he wanted a bigger and better machine. His phonograph, on the block, brought $84.50. He'd wait, he reckoned, until next week before he bought the bigger machine.

On the following Wednesday four phonographs, two bedroom suites, an oil-burning range, three Ford spot-lights—purchased from mail-order houses—two and one-half pairs of tire chains and an incubator, all almost new, came in from the country, changed ownership at the auction sale and went back into the country again.

"This," said the retailers, "has gone far enough."

And they closed up their auction sale.

Commercial Outlaws

Some of the great industries have suffered much from contract cancellations and recourse to the law, particularly in minor cases, has proved hardly worth while, owing to expense and the fact that officials of corporations realize that even if judgment is found against the contract-breakers it would be hard to collect.

This has resulted in novel methods by leaders in industry to force some of the recalcitrant ones to recognize business ethics, especially in cases of glaring dishonesty.

For instance, one large corporation dealing with thousands of jobbers and manufacturers has card-indexed all those who have broken contracts, giving the reason therefor and all additional information. An example of what happens in these circumstances follows:

A buyer of goods appears in the company's local offices and expresses a desire to buy. His record is looked up and he is found to be a delinquent in the matter of a 1919 contract. He is gently informed that some sort of settlement must be made or he cannot effect a deal. Inasmuch as he must make some dicker to continue in business, settlement of the outstanding contract along some sort of liberal but definite lines usually results.

Hundreds of unfilled contracts have been settled by this and other corporations in this manner.—*Wall Street Journal*



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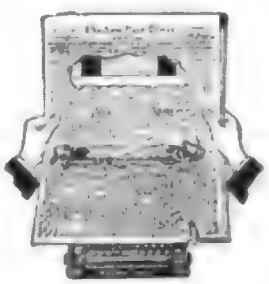
As long as they are bound by the unnecessary fatigue of side reading to write fewer letters, make more errors and be worth less to themselves as well as to the firm for which they work.

UNLESS THEY USE

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and relieve the strain on their eyes and backs the single focus way unnecessary fatigue continues.

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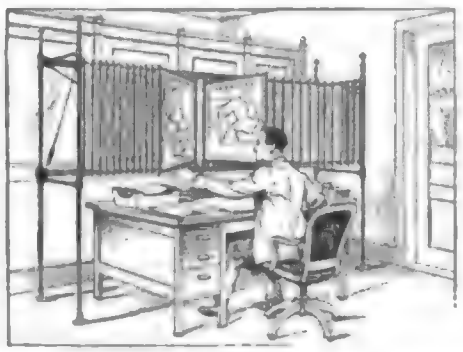


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133 WEST 23rd STREET - NEW YORK CITY

—But You Can't Tell 'Em Much

(Continued from page 14)

powder and the galvanized buckets. I used 'em as 'specials'—the washing powder to sell at six packages for thirty-five cents and the bucket to sell at forty-five. I got a lot of them in; and then, merely to save space when we arranged the stock for sales day, we put the washing powder inside the buckets—six packages to a bucket—and piled the buckets in tiers out here in the store. They blamed near filled the place. Then, on sales day, when a customer came in for one of the 'specials' we said, 'Here they are together, the bucket and the washing powder; might as well take 'em both for eighty cents.' We sold out, and I had galvanized buckets full of washing powder walking all over town."

A lumber yard seems considerably removed from retail merchandizing. Yet, technically, of course, a lumber yard is a retail enterprise. Anyway the lumber yards of Clarksville belong to the Ad Club and they participate in the monthly sales-day event. The Coulter Lumber Company, for instance, sold 25,000 feet of Beaver Board on one sales day, a carload of cement on another, 250,000 shingles on another.

The Beaver Board, for which the regular price was $5.50 a hundred feet, was offered at $4.80. The Portland cement, ordinarily priced at $1.35 a hundred pounds, was sold at $1.10. The shingles, regularly priced at $9.25, went at $8.50.

"Yes," said Robert Morrison, of the Coulter Company, "the folks just drive in with their wagons and trucks and get the stuff, whether it's Beaver Board or cement or shingles or whatever it is; and while they're in our yard, just as while they are in the retail stores downtown, they buy other things. For instance, on every sale day except three since the plan was started we have sold a 'house bill'—the lumber for building a house. And a 'house bill' amounts to from seven hundred to fifteen hundred or two thousand dollars. On the last sale day our total of sales was twenty eight hundred dollars and the sales of 'specials' totaled only eighteen hundred."

Detailed statistics of comparative retail sales? They are available. It wouldn't be fair to tell whence they came, for they represent actual records of sales in a certain typical retail store in Clarksville; but here are some statistical facts:

First, the sales in this store on the first Mondays in the months of 1918 the year preceding the inauguration of the Clarksville sales-day plan: January, $213.41; February, $248.41 March, $194.30; April, $308.70; May

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$208.60; June, $211.82; July, $339.63; August, $418.55; September, $213.75; October, $475.19; November, $514.50; December, $301.30. Total, $3,648.16. Average, $304.01.

Next, first-Monday sales in 1919 up to the inauguration of the sales day! January, $310.88; February, $232.70; March, $456.63; April, $797.30; May, $469.44; June, $478.06; July, $545.69. Here the plan was started. And then —first Monday in August, $402.08; September, $1,130.59; October, $1,142.01; November, $2,211.62; December, $1,692.19. Total for the year $9,869.19. Average first Monday before the plan, $470.10. Average first Monday after the plan, $1,315.69.

Now for first-Monday sales in 1920: January, $537.05; February, $530.75; March, $850.25; April, $1,146.94; May, $1,464.45; June, $1,867.99; July, $1,323.85; August, $1,218.29; September, $1,166.05; October, $1,421.71; November, $1,510.87; December, $1,370.02. Total for the year, $14,408.22. Average, $1,200.68.

Thursday, in the average retail store, is virtually "another Monday." Without some sales-promotional effect to stimulate either day, their sales should be about equal. To arrive then at the effect of sales day upon Monday business, it seems fair to compare the sales-day first Mondays with the unstimulated first Thursdays as the days march along together through the year. Take 1920, for instance. This store's sales on the first Thursdays in the months in 1920 were: January, $1,132.20; February, $308.29; March, $80.48; April, $908.12; May, $318.80; June, $291.80; July, $799.45; August, $369.04; September, $315.77; October, $549.22; November, $615.55; December, $478.57. Total for the year, $6,167.29—as compared with the total of $14,408.22 for the first Mondays. Average first Thursday for the year, $513.94—as compared with $1,200.68 for the average sales-day Monday.

How does the Monday sales day affect the nearest Saturday? Comparative figures of the sales for the first, second, third and fourth Saturdays in the months in 1920 would seem to answer that question. For the first Saturdays the total of sales in this particular store was $16,890.71; for the second, $16,082.59; for the third, $17,-15.94; for the fourth, $15,993.26. Thus the averages were: first Saturday, $1,407.55; second, $1,340.21; third, $1,495.49; fourth, $1,332.77. And thus the uniformity of these averages indicates that if the Monday sales day does "pull" from the nearest Saturday, the effect is insignificant.

Yearly totals approach most nearly to summarizing the whole story. This store's sales in 1918, without the sales plan, totaled $138,707.15, giving a monthly average of $11,558.92.

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Enough of figures.

Co-operation, said Simon Newberger, of The Mammoth, is "the very spirit and soul" of the sales-day plan. In the Clarksville method that co-operation, that get-together idea, not only permeates the mercantile community, but it is carried beyond the boundaries of the community into the rural sections whence come the sales day crowds of shoppers and the rows of flivvers that line the city's streets.

During the summer months the Ad Club holds its regular monthly meetings in the country. Every month twelve members of the club are designated to act as a committee in charge of the impending meeting. The twelve are called "goats." The "goats" pick the place of the meeting—usually at some farmhouse—arrange for the means of transportation, plan the menu of the "feed," provide the food, and pay all the bills.

And here that mailing list in the Ad Club's headquarters is used again. These outdoor meetings, be it understood, are strictly in the open. The club not only meets and eats and transacts its organization affairs, but it entertains guests—the farmers of the countryside and their families. The mailing list, classified geographically, gives the names of the families in the district in which the meeting is to be held. Invitations go out to those families. They gather at the meeting place, sit down to the supper that the "goats" have provided and then "listen in" while the club does its meeting and plans for the next sales day.

Sometimes, too, there is a speaker, an imported orator. He may speak on good roads, rural credits, the business outlook—any topic in which the merchants from the city and the farmers from the country have common interest. But if he is a wise speaker he will refrain from handing out any advice or instruction on the topic of retail co-operation.

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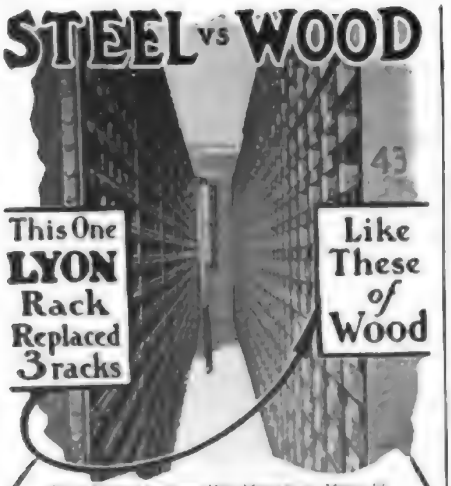


Photo of storeroom, Pyle-Meteor Corp., Moline, Ill.

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Science and Your Shipping Box

(Continued from page 18)

that contains no grit or acid. Then the container is lined with a thoroughly waterproof paper. The War Department, followed by many industries, uses duplex paper made of two thirty-pound sheets of No. 1 sulphate kraft basis, cemented together with asphaltum. This makes an absolutely waterproof lining for a box. It is strong and can be folded without breaking.

Industry has produced a number of tough, pitch-impregnated papers and canvases in which a product can be wrapped inside its box or crate. The wetter canvas gets, the closer it hugs the product. It does not crack in cold or melt in equatorial heat. If a hole is punched in it, the edges adhere to whatever surface is near enough, thus sealing up the rent.

There was a time when zinc lining was considered the correct thing for machinery boxes. "Make it air-tight" was the rule. But occasionally a pinhole appeared somewhere in the zinc. That pinhole was often disastrous. An American shipper once landed a big box, zinc lined, in India, and was sure it had made the trip as dry as Mr. Volstead's cellar shelves. When that case was opened, three quarts of water were in the bottom. There was a pinhole somewhere. The three quarts had not slopped in through the pinhole; the machine had been "sweating" with the variations in outside temperature.

Today it is standard practice to bore holes in the wooden box to allow a machine to "breathe" with every fluctuation in temperature. To dispose of any water that may rain or dash into these holes, clever little tin spouts leading to vents are placed under each hole.

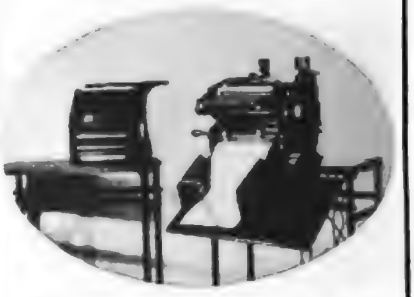
Often double boxes are used, the inner one floated or braced in the outer. Holes can be bored in both boxes, and if they are offset the danger of water running into them is slight. For export shipments these holes usually are screened to keep out vermin.

Sometimes holes are put in double boxes to keep the product cool. Rolls of varnished cambric packed closely in an inner box once gave their maker trouble by catching fire from friction. The ventilating holes remedied this difficulty.

If he would land his goods safely at the other end of their journey, the packing designer must think of all sorts of things besides the tightness and strength of the container. Take the fragile X-ray tubes, which are shipped by express all over the world. Once they broke in transit like so many eggs, in spite of the big red signs, "Glass" and "Handle with care." It

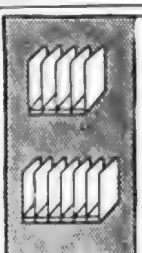
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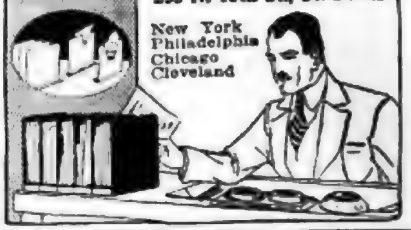
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1450 Grays Ferry Rd. PHILADELPHIA, PA.
Branch Offices: Chicago and San Francisco

seemed as if there was no packing soft and resilient enough to save them.

Then a shipper tried psychology on the expressmen. Instead of nailing up the tubes in big, strong boxes, he used thin, springy wood and slung each tube on tight strips of ticking inside an open crate. Any handler could look within and see the delicate glass tube, the size of a man's arm. The effect was good. A look at the product, plus the mental effect of a little two-finger handle at one end of the crate, cut down breakage tremendously.

The packing engineer's work may range from subtleties like this to the job of properly anchoring castings on flat cars—massive castings, as big as a house. He must fit his shipments to meet all the difficulties that some transportation expert in his concern has foreseen along the route, from the factory out through a low tunnel in Colorado, aboard a ship for a Pacific trip, across the surf at Valparaiso, up into the Andes, or along any other route in the world's trade.

Does he earn his money? Probably no employee of a big shipping house is better able to prove his earning power than this packing engineer.

For example, one expert spent six weeks last spring studying and revising the packing system of one of his company's subsidiaries. In those six weeks he effected changes that save $30,000 a year on export shipments alone. He re-arranged the packing of one article so that six units now occupy the space formerly occupied by one; he changed the standard package quantity of another article from twenty-five—an awkward number to pack—to twelve, which cube up neatly; he devised a way of bracing a fragile article securely, instead of stuffing it in loosely.

In this expert's report appear such general recommendations as these:

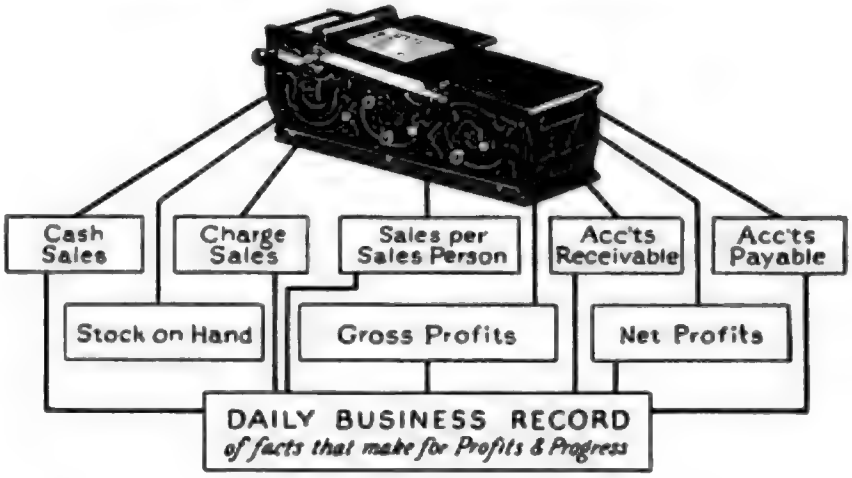
"*a. Lumber.*

"The hemlock lumber now used is entirely unsatisfactory. Most of it is cull stuff, unfit for packing purposes. It contains checks, splits, rot, loose knots, raised grain, and is very brittle. It is recommended that its use be discontinued as soon as the present supply is used up and that yellow pine be used in its place. The yellow pine should be equal to *sound, tight knotted stock, box grade or better.*

"*b. Box Strapping.*

"The box strapping now used is very soft and lacks sufficient strength to make an efficient binding. Although this is waste material and does not cost anything, nevertheless it must be borne in mind that it is not serving its purpose because of lack of strength. It is recommended that its use be

It tells you what you want to know about your business



When 50 merchants in a western city were asked how much it was costing them to do business, a few said 25 per cent; some said 20 per cent—a majority "guessed 17 or 18 per cent."

It developed that the real cost was on the up side of 20 per cent, and that those who "guessed" less and were selling accordingly, were losing the difference.

It is this difference which Egry Registers and the Egry System of Retail Sales save the merchant—they tell you what you want to know about your business.

The Egry System gives a written record of every transaction; it tells cash taken in and paid out, by whom, from whom, and to whom; it tells what merchandise is selling; it gives a perpetual record of stock and assists in economical buying; it shows how much each of your sales people is selling—you have information, control, and protection at every step in your business.

This System is very simple in its operation and maintenance. You don't have to hire new bookkeepers, or get in a whole lot of new books—the Egry System fits in with what you have. You can use it yourself, your employees can use it, and it will save you steps, save you time, and make you money.

Egry Register Systems are adaptable to all businesses, and their cost is most moderate.

Men desirous of seeing their business grow will find our literature most informative. Write for it.

SYSTEM EGRY REGISTER COMPANY

The Egry Register Company

Dayton, Ohio, U. S. A.

Are Your Collections Still Lagging Behind?

LET A REBUILT BURROUGHS SUBTRACTING STATEMENT MACHINE HELP TO BRING IN THE CASH

You know the psychology of the thing—prompt and accurate statements bring in the checks while late statements get pigeonholed. Inaccurate statements do more harm than good.

The only answer is to make your statements absolutely accurate and get them to your customers on the first day of the month. It's an impossible job with the old pen-and-ink method of figuring—but with a ***rebuilt*** BURROUGHS SUBTRACTING STATEMENT MACHINE you can run off your statements in a short time, get them in the mail on the last day of the month and KNOW that each one is accurate.

A ***rebuilt*** BURROUGHS SUBTRACTING STATEMENT MACHINE will pay its way in your business on statement work alone. But the same machine will analyze your sales, and handle all miscellaneous figure jobs in your office too. In other words, in the rebuilt Burroughs Subtracting Statement Machine you have equipment which will handle all your figure work.

These machines are standard in every respect, are thoroughly rebuilt and carry the same guarantee as new machines. They are offered at greatly reduced prices and our time payment plans will suit your convenience.

Let a Burroughs salesman show you how a machine will pay its way in your business. Your directory or banker will give you the address of the nearest Burroughs office.



General Adding Machine Exchange

Division of **BURROUGHS ADDING MACHINE COMPANY**

327 Broadway - - - New York City

discontinued and that *unannealed* steel strap be used.

"*c. Waterproof Paper.*

"The cordlined waterproof paper now used is a very good sheet of paper, but for general purposes the cord reinforcing is not necessary and makes the paper too expensive. It is recommended that its use be discontinued and that duplex waterproof paper be used in its place.

"*d. Case Linings.*

"Since standard sized export packages are being adopted, it is recommended that made-up case linings be used with all seams cemented, instead of sheets cut to fit the case. It was noticed that much paper is being wasted by using sheets because the packers always tear off too long a sheet so as to be sure to have enough. Also, lining a case with sheets does not make a tight case, which is very necessary with highly finished appliances, where rust is so important a factor. It is believed that possibly slushing could be discontinued on export shipments if these case linings were used.

"*e. Weighing.*

"It is very important that *each and every* export package be weighed individually, owing to the strict customs regulations regarding the declaration of wrong weights. Some countries permit only 2 per cent variation between the weight as stenciled on the case, and the actual weight as received at customs house. In many instances the weight of two cases will vary more than 2 per cent even though they contain the same material, and are of the same size, due to variation in the weight of the case. An average weight should never be used on export shipment."

The packing engineer is never satisfied with any sort of box or crate if he can think of a way to make it more compact, safer and more nearly "balanced." He tests all containers ruthlessly with the devices his profession has developed, and if those containers fail, he builds substitutes and tests them, too—if anything, a little more ruthlessly.

Then he standardizes each good box with the aid of photographs and forms in which to record exact construction data, hands these to the shipping department for the use of the Mike Pucileks and their bosses, and turns his attention to the next job.

A Suggestion

A restaurant in Butler, Mo., displays this sign:

"Don't divorce your wife because she can't cook.

"Eat here and keep her for a pet."

—*Merchants' Magazine.*

ADVERTISING SECTION

DITTO is more than a duplicating machine. It is a method—the modern, perfected method of making copies. Swiftly, accurately and economically, Ditto provides up to one hundred neat, legible duplicates of any data that can be typed, written or drawn.

Ditto quickly provides needed copies of orders, invoices, notices, bulletins, requisitions, records, statements and the thousand-and-one other forms that modern business requires.

Ditto is rendering valuable service for progressive firms everywhere by eliminating errors, by saving money and by speeding up all work.

Ditto is versatile, adapting itself to the existing requirements of practically any business.

Ditto copies are absolutely accurate for they are exact facsimiles of the original, which is prepared in the usual way with Ditto typewriter ribbon, ink or pencil. With Ditto there is no re-writing, no type to set, no stencil to cut and no expensive carbon paper to pack.

Ditto reproduces the original, or any part of it, upon any sheet, form, slip, label, envelope, tag or wrapper—or any combination of these—taking any desired size of form up to 18 by 34 inches.

Ditto can help you. Ask the nearest Ditto Man, or write today for the Ditto Book which tells the Ditto story.

DITTO, Incorporated, Ditto Building, Chicago

(Formerly Duplicator Mfg. Co.)

Ditto

THE QUICKEST WAY TO DUPLICATE





Sending a Boy on a Man's Errand

Using flat folders in a modern filing system is very much like sending a boy on a man's errand. If you suffer from the inconvenience of mussed-up papers, lost letters and unnecessary delays you can be sure that your folders are not equal to the task.

Vertex
VERTICAL-EXPANDING

File Pockets

will solve your problem. They are made of the toughest, red rope stock to outlast twenty manila folders. They are always upright in the file with the index tabs in plain view and their bellows-like expansion gives the needed capacity as the papers are added.

Send the coupon below for a sample VERTEX POCKET. No charge or obligation.

ALVAH BUSHNELL CO., Dept. B
Durable Filing Containers
925 Filbert St. Philadelphia, Pa.

CUT HERE

Please send for examination and trial a free sample of BUSHNELL-"Vertex" Paperoid File Pocket, as described in September "Business."

Name of Firm _____

Address _____

Name of Person Inquiring _____

Letter size or Legal size desired? _____

If special size is required, send sample of sheet to be filed, and give width and height of drawer.

To Alvah Bushnell Co., Dept. B
925 Filbert Street Philadelphia, Pa.

Selling Through Plate Glass

(Continued from page 11)

especially elaborate window—a window that he could not possibly afford to create for himself, and that the manufacturer could not afford to supply indiscriminately to all of his customers.

Yet another hopeful development in selling through plate glass is the fact that far-sighted manufacturers are beginning to see that if they are to help retailers to the fullest extent they must be more unselfish in their displays. It is not enough that a display shall merely increase a particular manufacturer's sale of his product in the retailer's store, at the expense of competing articles stocked by the same store. To help the retailer to the limit he must increase the sale of that class of product by developing new uses or more uses.

A splendid example of a display that embodies this idea of creating business is one recently sent out to stationers by Eaton, Crane & Pike Company. It was composed of a very large center cut-out, accompanied by seven smaller cut-outs of quaint little maids, whose mission is to remind passers-by of the letters they ought to write. They aim to create more correspondence, hence the need for more stationery. As this company expresses it in its house organ, "We know well enough that if men and women wrote all the letters they should write, stationery sales would almost double in any community."

This display contains a valuable lesson for both the retailer and the national advertiser in almost any line: Be not content to aim, in planning window displays, to interest just those who might naturally be expected to buy; study to develop ideas that will suggest new uses for, or increased use of, the product featured.

The important question that the advertiser must keep in mind constantly when planning a window display is not, "How will this look?" but "*Will this display sell?*"

It is far easier to make a selling window attractive than it is to make a merely attractive window sell. Attractiveness in a window display, as a matter of fact, is often a matter not so much of gorgeous colors or of striking effects as of the fitness of things.

It is no trite saying that beauty is often best expressed in terms of utility. Pretty pictures are frequently less potent than practical poses in window displays as well as in advertisements.

A veteran advertising man recently received a valuable lesson in selling through plate glass when he took home the sketch of a new pretty-picture type of window display for a hair brush and exhibited it proudly to his wife.

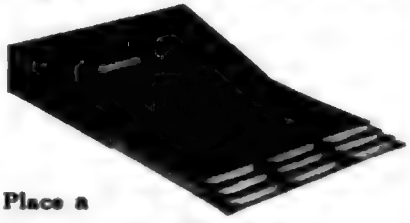


Make Telephoning Safe For Efficiency

You owe it to yourself to be able to
HEAR-CLEAR
the man who is phoning you that important information. And long distance calls—if you could only
HEAR-CLEAR
you would save money, dispense with mistakes and avoid wear and tear on your nerves. That's what the
HEAR-CLEAR
is for—it frees you from your telephone troubles—fits like a physician's stethoscope and leaves *both* your hands free to take notes or find records while talking—and we only charge $2.00 for Model A shown above, and $3.50 for Model B, an appliance permitting two people to listen comfortably on the same phone. To
HEAR-CLEAR
ask for the little appliance sold by

ROBERT I. ERLICHMAN, Inc.
Widener Building PHILADELPHIA, PA.
Exclusive Distributors Wanted

Enjoy Your Desk Work!



Place a

Silent Secretary

in action

Order and System mean additional power. The Silent Secretary is a new design of desk file that keeps papers and documents, that are frequently needed for reference, instantly accessible and in good order. The Silent Secretary is entirely practical and made in attractive finishes to harmonize with any color scheme. The Silent Secretary promptly solves your desk problems.

Write for interesting literature

Six pocket, $3.50 ***Nine pocket, $4.50***

Manufactured by
W. E. THAYER & CO.
ROCHESTER, N. Y.

Direct-Mail Advertising

POSTAGE

POSTAGE is a practical business magazine devoted exclusively to DIRECT-MAIL ADVERTISING AND SELLING. Tells how to reduce Selling Costs by using DIRECT MAIL either alone or with Salesmen. Criticises Letters, Circulars, Booklets, House Magazines and Catalogs, actually used in the selling campaigns of the largest U.S. firms. Sample copy 25c.; one year (12 copies) $2.00.

POSTAGE, 18 East 18th Street, New York

"Yes, it's pretty," admitted his wife, "but what does it say about hair brushes?"

That is the real test of any window: *What does it say about what it is intended to sell?*

It is not enough that people shall stop and remark, "What an attractive window!" The job of a window display is to make people say, "*I must have one of those!*" or "*I must step in here and buy.*"

When a window display does that it is really selling through the plate glass. And that, after all, is the purpose for which the plate glass was put there!

Cheap Advertising

A department store in a southern town "started something" when it gave 1,500 mothers free photographs of their babies. The idea attracted a lot of attention and cost practically nothing.

A wide-awake photographer agreed to furnish one cabinet size picture to every parent who presented a ticket obtained from the infant's department of the store. The thing worked both ways, for the photographer sold hundreds of dozens of baby pictures. What parents would not buy extra photos of their baby if they were any good at all?

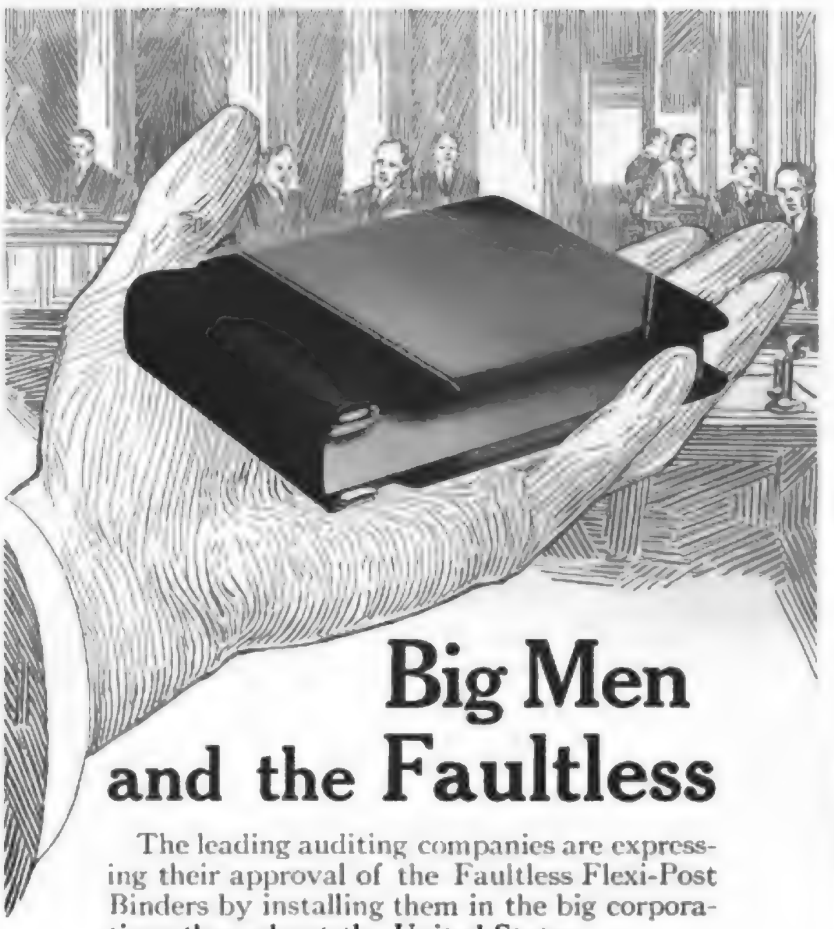
In the first three days the photographer took 646 pictures. The photographer put these on a 3 x 4 mount to be displayed in the department store window as an added attraction. The store then offered a prize for the nearest guess to the number of babies in the group. They simply couldn't be counted.

A local newspaper took the photos and made seven full page groups that were run for seven consecutive Saturdays.

Caffein Gets a Clean Bill

Caffein, the stimulating ingredient in coffee, is given a clean bill of health in a report just made by Prof. Samuel C. Prescott, head of the department of biology and public health of the Massachusetts Institute of Technology. In the moderate quantities consumed by the average coffee drinker it is perfectly safe and has no harmful after effects, Professor Prescott found.

"For the great majority of normal individuals," the report reads, "caffein is a mild stimulant of the heart, increases power to do muscular work, increases concentration of mental effort and, therefore, the power to do more brain work. It is not followed, except in excessive doses, by undesirable after effects."



Big Men and the Faultless

The leading auditing companies are expressing their approval of the Faultless Flexi-Post Binders by installing them in the big corporations throughout the United States.

The Reason

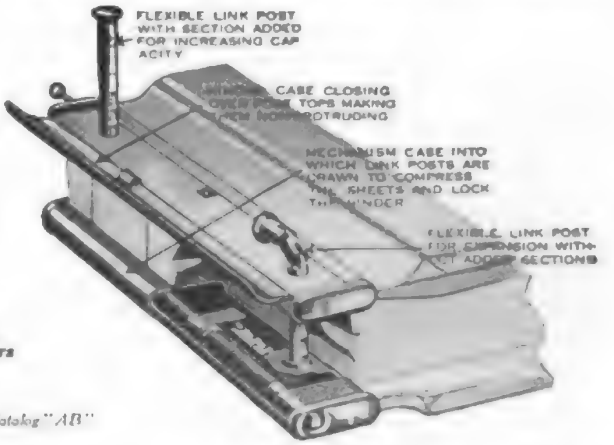
The exclusive link post construction, with two-inch expansion at all times, makes it a binder adjustable to varying capacities, doing away with the need of extra binders.

Positive locking feature holds one sheet or a thousand sheets under a firm compression.

Posts never protrude through cover. Saves vault space.

Faultless Flexi-Post Binder

"The Binder that Grows with the Business"



Sold by Leading Stationers

Write for Catalog "AB"

STATIONERS LOOSE LEAF CO., Milwaukee, Chicago, New York

Manufacturers of the Largest Line of Loose Leaf Devices in the World

Go after More Business —and Get it!



The answer to the old query—"how do you find business?" is simply this: "by going out after it."

"We are receiving 40 per cent more orders this year than last year," said the Sales Manager of a nationally known concern recently. "How? by making more calls—by following up every inquiry—by working thoroughly and intensively every square foot of our territory."

This firm, together with many others of the largest and most successful business organizations in the country, visualizes its territory and checks up on sales and advertising campaigns on National Map Company's

Washable Maps

On these large scale, accurate business maps, every phase of their sales activities can be shown. The territory, location and names of dealers, branches, agents, etc.; open territories; special information; sales quotas, sales totals, comparative standings, etc.

Mark on the maps with pen, crayon or water-color paints. When changes are necessary, simply erase the marking with a sponge or damp cloth. Colored map tacks may also be used to show additional information. With your territory thus graphically portrayed, you can tell at a glance the exact situation in any particular section.

Write for Catalog B, and for "Tack Talk" a booklet on the use of map tacks

The Multi-Unit System

keeps your maps ready for inspection at all times, and gives you the most effective and convenient display. Simply turn a leaf and you have a new section of your territory before you. Multi-Unit fixtures may be secured in various sizes and styles to meet the office space and territorial needs of any size business.

National Map Company

Map Makers Since 1885

INDIANAPOLIS NEW YORK

Address Dept. B-9 Murphy Bldg., Indianapolis, Ind.



Save Needless Steps

You can talk with every department of your factory or office instantly, if you use the well-known

STROMBERG-CARLSON Inter-Communicating Telephone

It simplifies any business; saves everybody's time; cuts down "travel" around the plant. Is a definite economy.

No operator required by this system; no switchboard. Individual circuits to each station make the most important conferences possible by telephone.

Send the attached coupon today for our booklet "Why Walk." Tells all about this Inter-Communicating System and describes in detail the instruments.

Stromberg-Carlson Telephone Mfg. Co.
Rochester, N. Y.
Dealers and Installers in all Principal Cities

Stromberg-Carlson Tel. Mfg. Co.
Rochester, N. Y.

Please send me booklet "Why Walk" and further descriptive matter.

Name _____

Address _____

_____ Bus.

Lives in the Market

By ALBERT E. MEAD

ABE GOLDSTEIN haunts the wholesale market. Market-haunting is one of the planks in his platform of retail merchandising.

Walk into any one of Omaha's big wholesale houses and the chances are about seven to three that you will find Abe Goldstein hanging around. To him, being in the market means being in it. He does a retail business in three towns, two of which are in Iowa and one in Nebraska. But he lives, virtually, in Omaha and specifically in Omaha's wholesale houses. He finds it good business.

Goldstein is financially interested in three retail stores situated respectively in Tabor and Centerville, Iowa, and Beatrice, Nebraska. The Tabor store, doing business in a town of about 1,500, turns its stock five to six times and sells around $40,000 worth of goods in a year. The store in Centerville, with a population of 9,000 from which to draw its trade and with a turnover of between four and six, does an annual business of $200,000. The Beatrice store, operating in a town of 10,000, started as a bankrupt stock worth about $3,500. This was in 1914. Today, handling clothing, shoes, hosiery and dry goods, it is rolling up annual sales of around $300,000. In its dry goods, which were added this year, the turnover thus far established is twelve.

Abe Goldstein is not yet forty. He is a successful merchant; and he attributes his success to two mercantile habits—studying people and keeping in the market. He buys in small lots. He spends most of his time in Omaha. But he keeps closely in touch with his retail affairs. When you find him in one of the wholesale houses in Omaha you are likely to find him reading a letter from one of the store managers, reading something like this:

"Dear Abe: We can use two more pieces of tissue gingham. Business was good today."

"Abe" will buy those two pieces of gingham, along with a lot of other goods requisitioned by the two other stores, and he will see to it that they are shipped the same day.

"Successful merchandising today means knowing what the people want, having it for them when they want it, and having only just about enough to supply the demand," he says.

"If you do that, you have practically no investment, and you have easy sailing all the time."

"No investment? How do you get that way?" he was asked. With a smile, he answered:

"Well, see here. Suppose you take $20,000 with which to buy goods.

Save 50% of your printing costs

Roll Printing Costs Less than padded forms

A SAVING of 50% on your printing costs is something very tangible—it's real—you can see it. And yet, it is the smallest of the savings which Standard Manifolding Systems and Roll Printing give you.

Wherever padded forms are used or wherever one or more carbon copies are desired, Standard Roll Printing, used in Standard Manifolding Registers, will make it possible to do the work in less time and at less expense.

Eliminates Errors

For the Standard Manifolding System not only cuts your printing bills in half, but effects savings in many other ways. It positively eliminates all errors made in copying. It makes each copy exactly like the original—word for word and line for line. It systematizes and simplifies your records so that they can be made in half the time.

Take for example: Your bills of lading serve not only as a receipt for the goods you ship but also as your contract of shipment with the carrier. It is one of the most important and frequently used documents in your factory. The slightest error or illegibility creates countless disputes and endless discussion with customers and railroads, many times leading to prolonged and costly legal action which could have been easily avoided by the use of a Standard Manifolding Register.

Sheets Can't Slip

Our exclusive patented features have revolutionized the use of manifolding devices. No matter how many carbon copies you may need, regardless of how complicated the forms, all will be perfect in alignment. The machine operates without binding, the carbon paper will not crumple or tear, and no time will be wasted in repairs or adjustments.



Standard

Manifolding Systems and Roll Printing

• Roll Printing Costs Less •

Our Service is Free

If you are interested in cutting your printing costs in half, in methods that will reduce overhead, give you better control of different departments, and eliminate errors, our Service Department will be glad to provide you with samples of forms and suggestions that will aid in accomplishing these results.

Mail Coupon for Prices

Enclose with the coupon any samples of your regular printed forms, whether in duplicate, triplicate or quadruplicate, and let us give you our price for printing them. Or, check on the attached coupon the kind of forms in which you are interested and we will send you samples showing how these forms have been worked out for other successful manufacturers.

THE STANDARD REGISTER CO.
117 Albany Street DAYTON, OHIO

Check and Pin to Letterhead

The Standard Register Co.
117 Albany St., Dayton, Ohio

Without obligation on my part, send me booklet describing the Standard Manifolding Register and samples of forms showing the most modern methods used in handling the items checked below:

- ☐ Bill of Lading
- ☐ Express Receipts
- ☐ Delivery Orders
- ☐ Railroad Orders
- ☐ Warehouse Orders
- ☐ Warehouse Receipts
- ☐ Invoices
- ☐ Purchase Requisitions
- ☐ Stock Requisitions
- ☐ Receiving Records
- ☐ Shop Orders
- ☐ Stock Records
- ☐ Piece Work Records
- ☐ Repair Orders
- ☐ Departmental Orders
- ☐ Sales Records
- ☐ Service Station Orders
- ☐ Combined Money Drawer and Sales Records
- ☐ Hotel Package Receipts
- ☐ Employment Bureau Records
- ☐ Telegraphic Messages
- ☐ Telephonic Messages

Executives

There are no dates of greater importance on your business calendar than those marking the

National Business Shows

These expositions of administrative methods and equipment, present in close perspective and under one roof the development of office machinery and systems as used by the most efficient corporations in the country.

Your time and that of your assistants cannot be used to better advantage than in visiting these expositions.

Progress—Efficiency—Economy and Conservation are the lessons taught.

CHICAGO

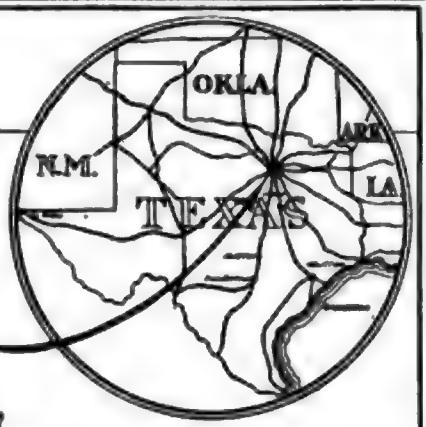
Coliseum, Week of September 19

ANNUAL BUSINESS SHOW COMPANY

FRANK E. TUPPER, *Pres.* **50 Church Street, New York**

New York Show, Week of October 17

Fort Worth



Railroad, Livestock, Grain and Oil center of the Southwest.

We know this territory—its resources and opportunities.

Our service covers the Southwest thoroughly.

Correspondence invited

Resources, - - $20,000,000.00

Established 1873

The FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS.

You get terms of sixty days extra in which to pay for them. In a month you sell $30,000 worth. Then—just discount your bills and keep the money turning. You have enough money to pay your bills before they are due, haven't you? So that's how I figure you have no investment. And you haven't—have you?

"The big secret of successful merchandising today is to buy often enough to keep your stocks up just to the proper point—to know what people will want next, and have it for them, but never to have too much, and to keep in intimate touch with the market.

"Some people may say that this is easy enough to say, but difficult to perform; but let me tell you it can be done *if you are in the market often enough.*

"When the big slump in dry goods came last October, we had on hand only one case of percales and two cases of ginghams on which to take a loss. All our stocks were clean—and low. They had been replenished almost day by day; and in doing this, we followed the market, both up and down, and took so little loss that it really was surprising to most merchants.

"To do these things, of course, a merchant must stay in the market pretty closely. That is my part of the business in the three stores in which I am interested. I'll show you how this works out:

"The other day I was in a big wholesale house when a small shipment of dotted voiles arrived. Now dotted voiles were unusually popular just at that time—also they were hard to get. The shipment received by the wholesaler was small, because he was having as much trouble in getting deliveries as the retailer was.

"I took this occasion to buy a few pieces for each of our stores. The boys at the different stores didn't know these goods were coming. I wrote them a little letter, and the people in these three towns where we have stores were able to get dotted voiles from us, at any rate. We sold the goods very rapidly, made a reasonable profit and a quick turn, and were ready to buy something else.

"Women's white hose have been difficult to obtain this summer. I was in another wholesale house when a good-sized shipment came in. I bought what I wanted—and the balance of the shipment went to fill back orders. That shipment lasted just about two hours. Well, we had white hose at each store—but a lot of other merchants didn't, because they were not in close enough touch with the market.

"I practically live in the Omaha market. Not every retailer can be in the market as much as I am, but he

could come a lot oftener than he does. If he would come in frequently, get acquainted with the credit manager, the department buyers, even the order fillers on the different floors in the wholesale houses, he would profit a lot.

"You know how popular red checked gingham has been this summer? Well the other day one of the floor salesman in a big wholesale house told me that a shipment was coming in a few days. When it arrived I was 'on the job.' I got a few pieces for each of my three stores—and one of the big city stores took the remainder.

"Frequently, also, I am able to help a wholesaler, just as he helps me. Silk tissue gingham, for instance, has been very popular of late. The buyer of one big house that had done a good business on these goods told me he was through with that particular cloth, as he was convinced sales would be few from this time on. I knew differently, however, because I was in close touch with the demand. I urged him to buy at least 200 pieces more, which he did. He sold them without difficulty, thus adding just that much more to his sales than he would have had if he had stuck to his decision to drop the line."

"Exclusive Agency"

By JOHN J. JENNINGS

THE BUYER for the Acorn Mercantile Company was "almost persuaded," and the alert salesman of the Tristate Jobbing Company laid his trump card on the desk.

"And of course, you must bear in mind that if you order two thousand dollars' worth or more we'll give you the exclusive selling agency for your city," he suggested.

"'Exclusive selling agency' sounds well when you read it in a contract," the buyer suggested, "but it sometimes means that you are the only party in your city who loaded up with something you couldn't sell."

"You're quite right there," agreed the salesman, "but you'll find that is in cases where they are comparatively new and unknown commodities. With a heavy campaign of advertising that we carry on, however, you will find that exclusive selling agency means a lot more than three words on a sales slip; it will mean actual cash in your pocket."

The outcome of the matter was that the buyer gave an order totaling over $2,500 and received a sales slip embodying the exclusive selling agency agreement. Three weeks later the goods arrived and were put on the shelves. Later the buyer summoned his "handy man," in the person of Joe Bedell.

"We ordered some stuff from the



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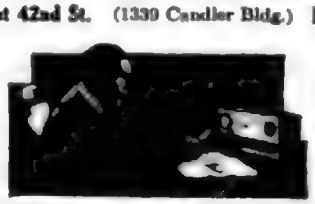
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Tristate Jobbing Company last month," the buyer suggested. "Here is the invoice and the stuff is now on our shelves. We have an exclusive selling agency agreement from the Tristate people, so just keep your eyes open and see whether anyone else in the city is handling the same stuff."

"I'll report Saturday night," Bedell agreed as he pocketed the invoice.

Before the office closed for the week, Bedell laid a typewritten slip on the buyer's desk.

"There are the names of six stores in this city that are handling the same Tristate goods that we have," he explained. "I just investigated the stores on Main and Wilson streets, and didn't bother about the smaller places on the south side. I can give you a full report the first of the week if you want anything further."

"No, what you have is quite sufficient. We have a signed agreement from the Tristate Company giving us the exclusive selling agency and binding themselves not to sell to anyone else in the city, so what you have here is positive proof that they have broken their agreement with a vengeance."

"I suppose it's up to us to do something in the matter," suggested Bedell.

The buyer handed him the Tristate contract and Bedell's list of sellers.

"You have the invoice now; take all the papers down to MacKenzie early in the week and ask him what we had better do," ordered the buyer.

When Frazer MacKenzie, attorney-at-law, came down to his office Monday morning, Bedell was waiting for him. Bedell placed the Tristate papers on MacKenzie's desk and explained the circumstances.

"Have you paid the Tristate Company for the goods in question?" MacKenzie asked.

"No, they're to draw on us in sixty days, and the draft hasn't been accepted yet."

"What would be your own idea?" MacKenzie asked.

"I came to get yours," Bedell demurred. "I'm no lawyer, and you tell me that my legal ideas are nearly all 'fireside law.' "

"They are interesting, just the same," declared MacKenzie.

"When I was a boy, there was an old fellow in our neighborhood by the name of Andy Stevens, whose son Fred and I were about of an age," replied Bedell. "Fred had an old skate of a horse that limped with two legs and was lame in the others. Fred traded one day with a chap out on the Marsh road, and inside of twenty-four hours he wanted to trade back. Fred went to old Andy for advice.

"'Did you make a good trade, my son?' said old Andy.

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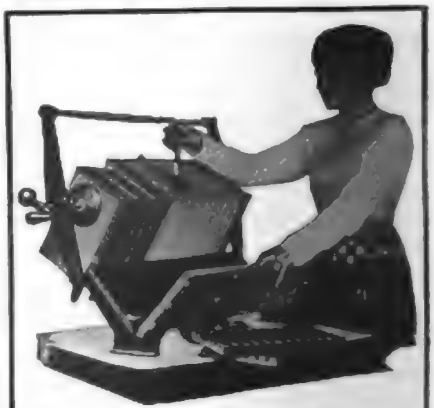
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"'I certainly did, father; I stung him bad.'

"'Well, then, better hold on as you are,' old Andy told him."

"And your idea is to hold on as you are?" smiled MacKenzie.

"Yes, it may not be good law, but it looks like good business to me to say nothing, refuse to accept their draft and let them sue for the price of the goods. It seems to me that when they sold the goods on the strength of an agreement to give an exclusive selling agency they can't collect a cent when they broke the agreement that was the very foundation of the sales."

"That sounds reasonable, but it isn't the law," objected MacKenzie.

"Then they can sue for the price of the goods and collect, can they?"

"Sure."

"I don't see how they can," Bedell protested.

"The breach of their agreement to give you the exclusive selling agency does not alter the fact that they have an agreement from you to pay for the goods, and under that agreement they are entitled to collect," MacKenzie explained.

"Then their agreement is simply a scheme to sell goods and isn't worth the paper it's written on, and it's binding on us and we've got to live up to it. That may be the law, and it certainly is, for you say so, but I'll be hanged if it's reason," Bedell asserted.

"No, I didn't go that far," replied MacKenzie. "You are assuming that you have no remedy, but I didn't say so, did I?"

"Well, if they can make us pay for the goods, what remedy have we got?"

"You have two separate and distinct strings to your bow, depending on whether you have or have not paid for the goods in reference to which they broke their agreement," Mackenzie went on. "If you have paid for the goods in full, sue for damages for breach of their agreement. I presume that they are good for a reasonable amount of damages."

"They are worth all kinds of money," replied Bedell.

"Then as I said before, sue for damages, get a judgment, collect it, and the money received would reduce the price of the goods. If you haven't paid, simply wait for them to sue you and then bring in your claim for damages for breach of the exclusive selling agency, and 'offset,' we call it. Then they get a judgment for the price of the goods and you get a judgment for damages on your offset. All you have to do is to pay the difference between the price of the goods and your damages, or if your damages equal the price of the goods, you get them free. When they start suit just send the papers to me and I'll put in a defense."



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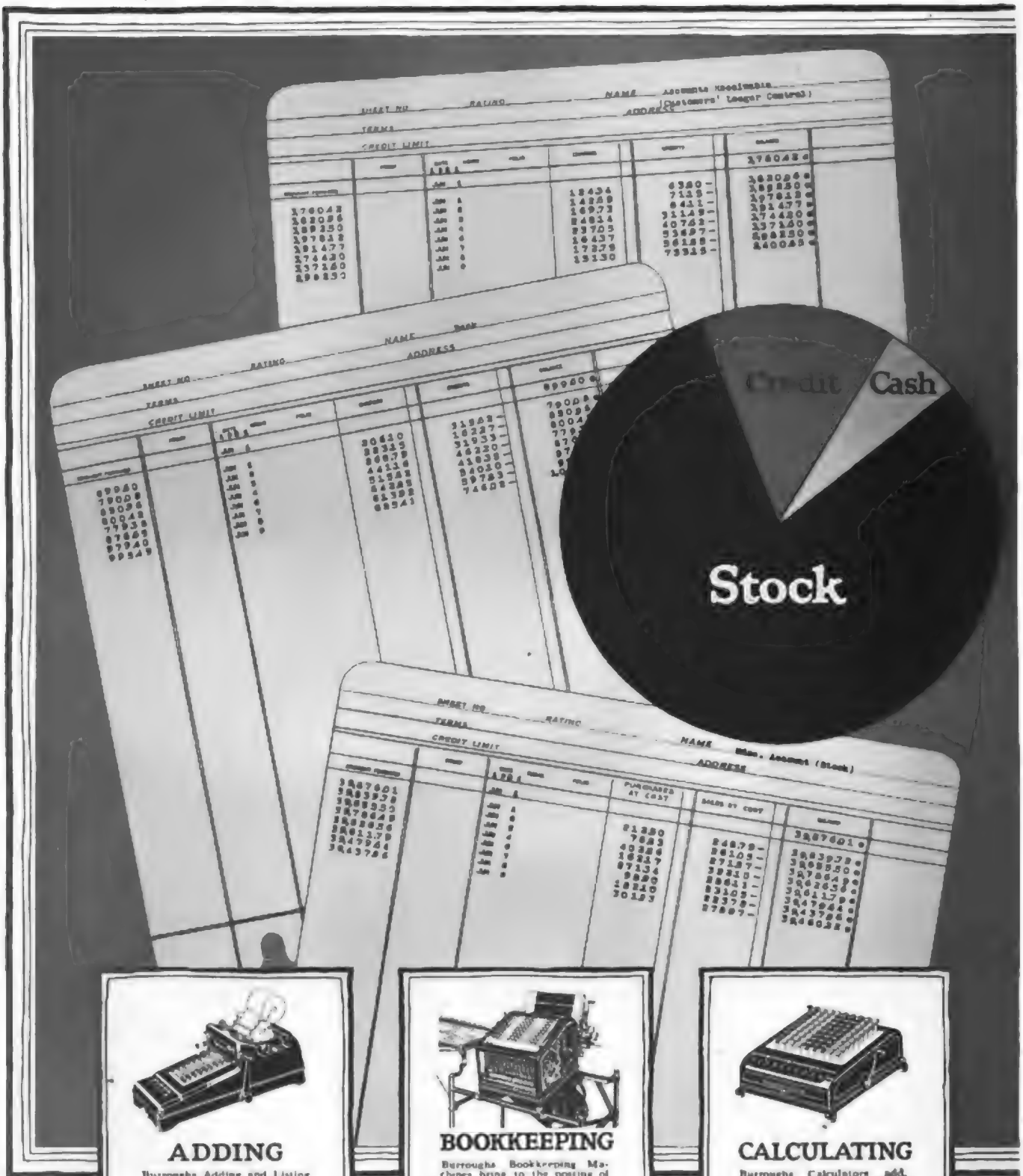
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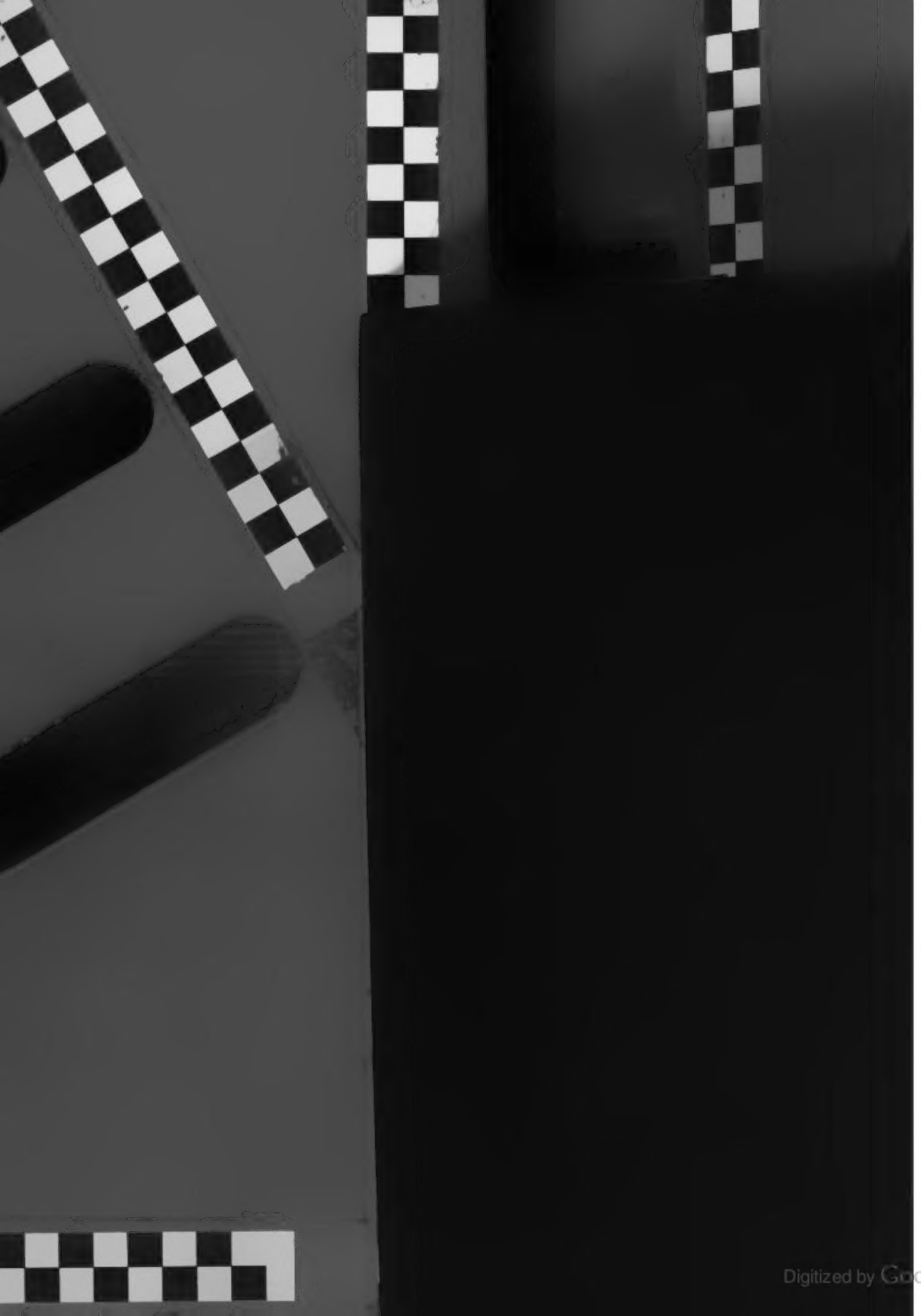
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